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# **U.K.** Interest Rates At 12%, but Pound **Continues to Slide**

By Bob Hagerty
nternational Herald Tribun

LONDON — The British goverament forced interest rates up pound's fall against other major increase.

pound continued to drop as the dollar surged to a 12-year high against the Deutsche mark and traders grew jittery about the possibility of further declines in oil

some traders and analysis to prediet that the government would be currencies Monday afternoon. forced to engineer another interestrate increase within dam rate increase within days.

After an unusually overt signal from the government Monday morning, the major British banks raised their base lending rates to 12 percent. On Friday, the banks started selling the pound down the raised the rate to 10.5 percent from river," said Paul Chertkow, chief a range of 9.5 to 9.75 percent.

It was the second time in seven months that such rapid rate increases have been necessary to stop the pound's fall by making it more attractive to investors.

The pound closed in London at

# U.K. Judge Lets Adoptive **Couple Keep** Contract Baby

surrogate baby, has been placed in percent, and Britain's major banks the care of the couple who contracted for her.

The judge, Sir John Latey, said

28, of London, reportedly was paid market forces to push rates higher. \$8,400 by the childless couple to be artificially inseminated with the husband's sperm and bear the source said. "We wanted people to \$8,400 by the childless couple to be

The birth of the 7-pound, 13ounce (3.5-kilogram) baby on Jan. 4 prompted debates on the morality and legality of the practice of surrogacy arrangements

9 38 2 33 2 4 5 5 6 7

The northern London borough of Barnet, where the baby was born, had obtained a lower court order a few hours after the birth preventing the baby from being given to the couple because of uncertainty over the legality of such arrangements. Sir John said that the lower court had acted properly.

Jan. 8, reportedly at the request of

Jan. 9, limiting any press coverage that might lead to the identification of the couple. Anyone breaking the order can be held in contempt of

Sir John said that the ban will remain permanently in force.

"Plainly, the methods used to produce a child as this baby has been, and the commercial aspects of it, raise difficult and delicate problems of ethics, morality and social desirability," he said. His de-cision sets a legal precedent. "Those problems are under ac-

tive consideration elsewhere," he said. "If what the father and his wife...did was wrong, and I'm not saying it was, they did it in total

He said no one was better able to look after this child's well-being, physical and emotional." He added that the adoptive couple has "a very nice home in the country and another in a town. Materially, they can give the baby a very good

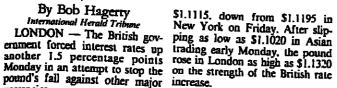
upbringing "
He added, "But far more importantly, they are both excellently equipped to meet the baby's emotional needs.

The Daily Mail newspaper on Monday quoted Derek Kirby-Johnson, a lawyer for the father, as saying that the couple left Britain with the baby over the weekend after a private court hearing before Sir John on Friday.

According to newspaper accounts, the National Center for Surrogate Parenting, a British agency with offices in Washington, was paid \$15,910 to arrange the

The Daily Star, a London tabloid believed to have paid Mrs. Cotton up to \$22,400 for the rights to her story, reported that she had no qualms about giving the baby away. She has two children from

her own marriage. Health Minister Kenneth Clarke said Sunday that the Conservative government would decide within the next week or two whether to outlaw surrogacy arrangements.



But reports that Norway had After a brief rally, however, the confirmed its intention to price its oil on a more market-related basis appeared to spread fears of a fur-ther drop in oil prices, which could hurt Britain as the world's fifth-

largest oil producer.
At the same time, the dollar sud-The pound's weakness prompted denly surged against the Deutsche reaching a 12-year high of 3,1970 DM before edging back slightly to close at 3,1920 DM in London.

Both factors hurt the pound as trading opened in New York. "The Americans came in and economist at International Trea-

sury Management Ltd. in London. He said that another British rate increase was likely to be necessary to convince the market that the government is resolved to shore up the currency. British government sources said the government was prepared to push rates higher if

The pound has fallen in the past week largely because of a feeling that the government was not willing to defend it through sharply higher interest rates. During the weekend, government spokesmen denied this suggestion.

To drive the point home, the Bank of England announced Monday morning that it was reintroducing for one day its minimum lend-The Associated Press

LONDON — A High Court the central bank lends to money judge said Monday that a 10-day-old girl, Britain's first commercial collateral. The rate was set at 12 by raising their base lending rates.

The central bank had not used the couple can take the baby out of the minimum lending rate, or Britain and that they took custody MLR, since 1981; when the govern-Britain and that they took custody of the infant on Friday to return to ment adopted a more market-ori-"their home country." The couple, ented approach to credit policy. identified in court only as "Mr. and But the authorities decided to repapers to be Americans.

One day to give a "clear lead" to the market rather than waiting for

> understand that we would take some action, and we did."

In July, in response to an earlier drop in the pound's foreign ex-change value, British banks raised their base rates by 2.75 percentage points in two steps without receiving such an overt signal from the Bank of England. Economists say the pound's re-

cent dive largely reflects worry in the foreign-exchange market over the effects of lower oil prices, although some economists argue that on balance lower oil prices would The High Court intervened on strengthen the British economy.

Some dealers also worry that the father, to take temporary custo-dy of the infant.

rapid growth in the money supply united States to forgo the \$26-bil-lion research program known pop-Sir John imposed a gag order on tion shooting up from the current ularly as "star wars." level of about 5 percent annually.







Three principal figures in the preparations for Soviet-U.S. arms talks, Foreign Minister Andrei A. Gromyko, top. Defense Secretary Caspar W. Weinberger, left, and Secretary of State George P. Shultz, went on their countries' television networks separately on Sunday to comment on developments since the Shultz-Gromyko agreement last week in Geneva.

# Gromyko's Message to Congress Moscow May Be Trying to Influence Debate in U.S.

**NEWS ANALYSIS** 

fensive shield is unworkable, the

Soviet Union apparently does not

Many State Department offi-cials, and experts in arms control

Gromyko as the most likely out-

come of the new talks. But the

Reagan administration remains of-

The most vociferous champions

of the need to continue work on the

program, which the administration

calls the Strategic Defense Initia-

tive, are President Ronald Reagan

and Defense Secretary Caspar W.

share that skepticism.

By Bernard Gwertzman

New York Times Service WASHINGTON — In linking the success of the new arms control negotiations to a willingness in Washington to curb the space Mrs. A," were said by British news-vive the minimum lending rate for weapons program. Moscow appears to be trying to persuade both the administration and U.S. public

In a way, the airing of differences on Soviet and American television Sunday by top officials on scientific experts contend that the both sides represents public posturing that is to be expected in advance of actual negotiations. But the intensity of the argument over the long-range U.S. plan for re-search into anti-missile defenses suggests that this initial debate will outside the government, see just the persist well into the negotiations sort of trade-off proposed by Mr. suggests that this initial debate will themselves, and into debates on

Capitol Hill. The Soviet position was laid out by Foreign Minister Andrei A. Gromyko, who said in an unusual appearance on Soviet television that Moscow would be willing to trade deep cuts in offensive missiles and bombers for agreement by the

His message is evidently meant Weinberger.

to be taken seriously by Congress, On a CBS News program Sunwhich is being asked to vote large amounts of money for programs ruling out the possibility of giving that are only concercual present. -This proposed trace off has been research stage or, if it becomes fea-

at the heart of the Soviet decision sible, in the deployable stage." to return to the arms control nego-In Geneva last week, Secretary of State George P. Shultz and Mr. tiations after walking out in late 1983. Although many American Gromyko reached agreement on a statement calling for the start of new negotiations that would be divided into three parts: strategic offensive weapons, medium-range whole concept of an effective de-

weapons and space weapons.

Although the joint statement said there was an "interrelationship" among the three sets of talks, U.S. officials have been saying they would prefer to reach agreements on nuclear arms separately. They also want to hold what would Rebellion amount to a seminar with the Russians on the advantages that might accrue from introducing defensive weapons into the arsenals of both countries.

ficially opposed to using its space weapons program as a "bargaining Mr. Weinberger said Sunday he interpreted the Geneva agreement as meaning that the United States would try "to bring the Soviets around to the idea that defense is a much better way of deterrence than

> Mr. Shultz was less categoric than Mr. Weinberger. In an ap-pearance on an NBC News televi-sion program, he said there clearly was a "relationship" between space and strategic weapons, and as to whether this linkage could imperil future talks, "we'll have to see what emerges from the discussions."

"My only comment is that it remains to be seen what will happen if we agree on something in one area but not in some other area," he said. "It may or may not go for-

Mr. Shultz's rather restrained reaction may reflect his own desire to retain all options, including a pos-sible trade-off of the sort suggested by Mr. Gromyko.

The administration would like to move quickly for results in the deadlocked medium-range talks and the discussions on reduction of strategic arms. It believes that deals can be struck in the medium-range area by agreeing to limits on the new NATO missiles being deployed in Europe in return for cuts in the Soviet SS-20 missile force.

It also wants, in the strategic arms talks, to trade off U.S. advantages in submarine-launched missiles and bombers for Soviet advantages in land-based ballistic

Moscow may eventually be persuaded to agree on a deal, some officials believe, if only to hold down the growth of American offensive missiles. But for the moment, the Russians seem determined to leave the impression that they will not compromise on nuclear arms without progress first in the

space weapons negotiations.
Some State Department officials, who say they have doubts about the efficacy of the space program, have asserted that they cannot envisage an accord on hanning research since neither side can tell what is going on in a laboratory on

The real question, they said, is whether the research would reach a

# Israel Approves Plan On Lebanon Pullback

By Edward Walsh . Vashington Posi Service

JERUSALEM — The Israeli binet has approved the first stage of a three-stage plan for withdrawing troops from southern Lebanon. Prime Minister Shimon Peres said the initial pullback should take place in a few weeks.

Israeli television reported that Monday night's vote was 16-6, with the foreign minister, Yitzhak Shamir, voting against.

The plan, drafted by Defense Minister Yitzhak Rabin and senior military officials, calls for the Israeli Army to withdraw to the international border by about next fall.

The first stage is to involve a pullback along the Lebanese coast, from the army's positions on the Awali River to a line between the Zahrani and Litani Rivers and south of Sidon. A semor Defense Ministry offi-

cial said the first stage should be accomplished in five or six weeks. The second stage, tentatively planned for spring, calls for a simi-lar pullback in the eastern sector of southern Lebanon where the Israeli Army would abandon positions that now put it within rifle range of Syrian soldiers and within artillery

range of Damascus, the official said. The third stage, he said, would be the pullback to the border, leaving a 6-to-12-mile (10-to-20-kilometer) "buffer zone" that would be controlled by the Israeli-backed South Lebanon Army and regularly patrolled by Israeli units.

Monday night's vote, which climaxed two days of debate in the cabinet, was the most important Israeli decision involving Lebanon since the June 1982 invasion.

But the commitment to withdraw from Lebanon was less than complete, and the tentative timetable could be set back as the Israelis pull back in stages and test the reactions of local Lebanese militias, Palestinian guerrillas still in Lebanon and the Syrians.

Mr. Peres initially hoped to win cabinet backing for the full withdrawal plan, leaving its implementation in the hands of Mr. Rabin and the army. But to shore up support for the plan, Mr. Peres agreed that the second and third stages of the pullback would also be submitted to the cabinet for approval.

As a result, Monday's vote to must come to decide. We feel the authorize the first stage represent- time has come. I do not see any ed a compromise between Mr. reason to stay and wait - for Peres' stated objective of a total pullback to the border and opposition to this by many Likud bloc ministers, including Mr. Shamir.

Addressing a luncheon meeting of foreign correspondents a few hours before the cabinet vote, Mr. Peres said that Israel still hoped that Syria and Lebanon would agree to security guarantees in southern Lebanon before the with-

drawal plan is fully implemented. But Mr. Peres also made clear his determination to push for comple-tion of the plan this year regardless of Syria's attitude or the continuing opposition to a complete with-

"Initially, we did not go into Lebanon to remain there forever," he said. "Well, if not forever, a time ern border.

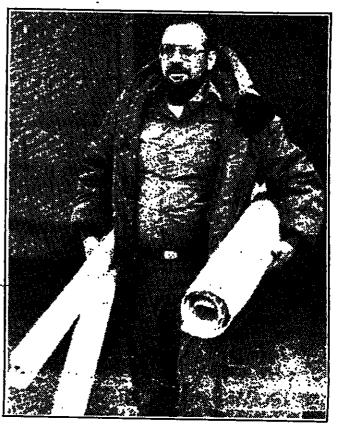
drawal within his own government.

Mr. Peres said Israel's military delegation would return Thursday to the troop withdrawal talks with the Lebanese that have been taking

place since Nov. 8 at the United Nations southern Lebanon headquarters in the border town of Na-But the prime minister added:

"Unless there is a change in Lebanon's position, which, unfortunately, depends completely on Syria's position, I don't see that much will happen at Naqoura.

Israel had hoped that the Naqoura negotiations would lead to an agreement for an Israeli troop withdrawal accompanied by new security arrangements in southern Lebanon to protect Israel's north-



An Israeli soldier left the prime minister's office with maps of Lebanon as the cabinet debated the army withdrawal.

# 37 Kanaks **Charged With**

The Associated Press

NOUMEA, New Caledonia Thirty-seven Melanesians arrested after a clash with police in which a separatist leader was killed were charged by a magistrate Monday with "rebellion committed by more than 20 armed people" and jailed.

In another court, a judge ruled that the state of emergency decreed over the weekend during disturbances by European settlers in Noumea was illegal. The judge freed four of 10 persons arrested during the disturbances.

The 37 Melanesians were arrested Saturday during a confrontation at a farmhouse in which Eloi Ma-choro, a leader of the Kanak Socialist National Liberation Front, and Marcel Nonnaro, his top aide, were shot to death. Officials said police sharpshooters were only trying to disable them. The Melane-sians, known as Kanaks, claim Mr. Machoro and Mr. Nonnaro were murdered.

Among those charged Monday was Mr. Macharo's brother, Louis, who was freed for 24 hours to attend his brother's funeral on Tues-

The latest violence in New Caledonia began on Friday when the 17-vear-old son of a European farmer was shot to death. The father said his son was shot by Melanesian militants. That led to more than 24 hours of rioting in Nouméa, the capital of this French Pacific territory, by opponents of independence, most of them

European settlers. Hearings were postponed on the cases of six of the 10 youths arrested during the riots Saturday. Four others charged with "participation in a prohibited demonstration" were ordered freed. The court said that the state of emergency decree, including a nighttime curiew, announced by the French high commissioner in New Caledonia, Edgard Pisani, was illegal.

The court cited a number of technical reasons for its decision. including the fact that the decree had not been published in the official journal and that Mr. Pisani did not have the authority to proclaim such a decree. The decision does not overturn

the decree, which must be pursued in an administrative court and not a criminal court, but it does mean that no one can be prosecuted for violations of the decree. The prosecution has appealed the decision.

# 2 French Army Observers Slain in Beirut Ambush

By Nora Boustany Washington Post Service BEIRUT — Two French mili-

tary observers were shot and killed Monday in an ambush in Beirut, A caller claimed responsibility for the assassinations in the name of the the Islamic Jihad organization and warned that the group holds five kidnapped Americans whom it would try as spies.

The French observers, Sergeant Majors Henri Grecourt, 35, and Henri Perrot, 34, were patrolling Monday morning in Borge Barajni, a Shiite Moslem suburb of Beirut, when gunmen in a car sprayed their jeep with machine-gun fire.

Last week, the deputy commander of the French military observer force, Lieutenant Colonel Claude Gueno, 45, was shot and killed as he walked in West Beirut, a predominantly Moslem section. No one claimed responsibility for that slaying. The French observers, who are

French contingent of the multinational peacekeeping force pulled out of Lebanon. Their mission is to supervise a truce between militias in West and East Beirut and to monitor fighting between Druze and Christian militias.

The slavings Monday brought to four the number of French observers killed in Lebanon since last

A caller who claimed to repre-rut, disappeared Dec. 3.

conversations with two news agencies in Beirut, said "the two French spies were liquidated this morning after they were caught red-handed spying on our youths and positions in the Moslem suburb as part of

intelligence." The same group claimed responsibility for the kidnapping last Tuesday of the Catholic Relief Services director. Father Lawrence Martin Jenco, in a call to The Associated Press on Friday.

their mission to monitor the move-

ments of our youth and report to

the Atlantic, Israeli and Phalangist

Monday's caller said Islamic Jihad held the five Americans who had disappeared in West Beirut since last March. He said they were all in good health and would be released unharmed, if all Americans left Lebanon.

"We wish to notify Alan Romberg," the State Department spokesman, "that William Buckley, Jeremy Levin, Benjamin Weir, Pearmed only with pistols, were sent ter Kilburn, and Lawrence Jenco to Beirut last March after the are now in our custody preliminary to trying them as spies," he said. Mr. Buckley, a political officer at

the U.S. Embassy in Beirut, was abducted by gunmen March 16. Mr. Levin, the Beirut bureau chief of Cable News Network, was kidnapped on his way to work March 7. The Rev. Benjamin Weir, a Presbyterian minister, was abducted in May, and Mr. Kilburn, a librarian at the American University of Bei-

#### INSIDE



TALKS FAIL — Sir Freddie Laker failed to reach an out-of-court settlement with airlines that he argues drove him from business. Page 9. Angeles.

■ Donald T. Regan intends to impose a sense of corporate order and discipline on the White House staff. Page 3.

■ Marcos acknowledged Communist domestic threat. Page 5.

■ Morocco confirmed a major clash with the Polisario rebels over the weekend. Page 6. BUSINESS/FINANCE

M Statoil, Norway's state oil company, will abandon fixed

prices for its North Sea oil, a company source said. Page 9. **SPORTS** 

■ Olympic hardles champion Edwin Moses was charged with soliciting prostitution in Los Page 15.

# A Chemical Cleanup That Backfired Sewage Plant in U.S. Is a Major Source of Air Pollution

By Michael Wines Los Angeles Times Service
WASHINGTON — When Environmental Protection Agency scientists decided to find out who was releasing hazardous chemicals into the air in the Bridesburg area of Philadelphia. chemical plants, plastics makers

and other smoky factories all

came under suspicion. But the

identity of the master villain has proven to be an unsettling sur-It is the city of Philadelphia's northeast sewage treatment plant, a plant that was mandated by the agency to rid the Schuylkill River of the same chemical soup that the facility is now apparently spewing into the air. It is estimated that the plant is re-

sponsible for nearly a fifth of the Bridesburg area's air pollution. "It was some surprise," said Joseph A. Cannon, the environmental agency's top air-quality

Studies now indicate that the Philadelphia sewage plant and scores of other city sewage facilities across the United States are major sources of a number of chemical air pollutants that are called "volatile organic comeither known or believed to be health hazards.

impossible to get rid of the dangerous substances. They can be ter the treatment plant in northtransformed from water pollutants to air pollutants or to solid waste, but destroying them or rendering them harmless is particularly difficult.

Some experts say it is virtually

the Environmental Protection municipal sewage plants. Thou-Agency's chief of geographic sands of householders dump projects, the apparent moral of similar, undiluted household the Philadelphia story is that most of the time, pollution cannot be eliminated, just diverted somewhere else. And diverting it somewhere else can be difficult and enormously expensive. Tom Walton, the deputy water

commissioner of Philadelphia, Most of the time, pollution cannot be eliminated, just diverted somewhere

said that once the chemicals leave the factory and enter the sewers, "the only solution would be to put a bubble over the sewage treatment plant. And the cost, even if it were feasible.

would be incredible." The chemical villains in Philadelphia, and in the sewage plants of dozens of other cities, are pounds" and range from industrial solvents to common paint About 800 such chemicals en-

Thousands of factories that

produce these chemical wastes

treat them at their sites, then

dump the diluted wastes into lo-

em Philadelphia daily.

According to Robert S. Currie. cal sewers for final treatment at

showed that about 25 percent of the chemicals evaporates in the sewer lines, 60 percent comes out at the sewer plant and the rest goes into the Schuylkill River but through Philadelphia

suspected cancer agents. Others are known to react in the atmosphere, like auto exhausts, to form the smog that blankets cit-

ment plants are probably responsible for about 3 percent of the annual cancer cases that are thought to be caused by toxic air pollutants. The percentage is lower if cancers caused by partly (Continued on Page 2, Col. 2)

chemicals down their drains. But instead of being neutral-

ized at sewage treatment plants, scientists have concluded, virtually all the organic chemicals evaporate into the air, where they are inhaled by people living nearby. "Every manhole you go by is a

pollution source," said Mr. Cur-rie, a director of the Philadelphia

study. He said that the study

evaporates as the river flows It is not clear how much of a health hazard is posed by the emissions, partly because the environmental agency does not have any data on the health effects of most volatile organic chemicals. Some of the more common ones, such as chloroform and methylene chloride, are

ies in the summer. Nationally, the environmental agency estimates, sewage treat-

(Continued on Page 2, Col. 4)

# **Delors Lists Priorities** For Strengthening EC

STRASHOURG, France — The sulting deals are bound by law. This system is not practiced in dent, Jacques Delors, outlined an ambitious program Monday for his four years in office, throwing down new challenges to the 10 Common Market states.

Mr. Delors spoke repeatedly of the common of the common

until June, listed his economic and political priorities in an address to the European Parliament here, promising to rescue Europe from the lethargy he said had largely dented its international credibility.

He listed the priorities as completing the economic Common Market, strengthening the European Monetary System and narrow-ing economic differences between member states to generate higher growth and more jobs.

He set the end of the current Parliament in 1988 as the deadline for the people of Europe to "enjoy the daily experience of a tangible Europe, a real community where travel, communications and trade are possible without hindrance."
Mr. Delors spoke of the record

12.5 million unemployed in the community, saying, "Economic convergence will be meaningless if we have not reversed the terrible rise of unemployment within two

He spoke of the need to have ommunitywide collective bargaining among unions, employers and governments to reform industry and resolve employment and labor

Officials said he was apparently referring to the system in France of settling conflicts through negotia-



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STRASBOURG, France — The sulting deals are bound by law.

This system is not practiced in

Mr. Delors, a Socialist who the need to balance efficiency with served as France's finance minister justice, an ideal he said was too often forgotten. He said the aging generation governing Europe should not forget the aspirations of "the golden '60s" to build an afflu-

# U.S. Cleanup Goes Awry

(Continued from Page 1) burned fuels, such as gasoline, are

But in neighborhoods close to major treatment plants, the disease rate may be far higher. A study by Fox Chase Cancer Center in Philadelphia last year found abnormally high rates of lung cancer among men living in or near Bridesburg.

The environmental agency, in a study, estimated that many urban sewage facilities throw more than 110 tons of volatile organic chemicals into the air each year.

The study also indicated that other toxic chemicals may be fouloften contains other industrial waste byproducts, such as chromium, which are considered potential health hazards.

Adding to the problem is the fact that the organic chemicals rising from sewage plants are particularly resistant to biological action, the method used in the United States to treat most sewage.

The average sewage plant is little more than a sophisticated test tube, filled with bacteria that "eat" human waste and most other organic compounds.

Many volatile organic chemicals,

however, are not only impervious to bacterial action but kill the bacteria or dull their appetites. As a result, the sewage treatment pro-cess has little effect on the volatile organic chemicals.



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Prime Minister Wilfried Martens, left, with President Ronald Reagan.

# Belgium Hedges on Deployment

President Ronald Reagan on Mon-day that Belgium remains commiting the air from the burning of ted to the deployment of cruise sewage plant sludge, the mud-like residue left over after treatment, in municipal incinerators. The sludge ment will proceed with their instal-

lation without delay.
Although the assurance fell short of a firm commitment to proceed with deployment in March as scheduled, a senior administration official said, "I am reassured."

"Our sense, flowing out of this meeting, is one of confidence and optimism," the official said.

Mr. Martens, in two hours of talks, agreed with Mr. Reagan that the security of Western Europe depended on allied unity and said he "confirmed our attachment" to the least could be worked out.

1979 North Atlantic Treaty Organization decision to deploy 48 Union are both committed by the cruise missiles in the absence of an anti-ballistic missile treaty of 1972. arms agreement between the super-

The senior U.S. official said Mr. Martens told President Reagan that Belgium would consult with other allies before making a final decision on the missile.

Officials said that Mr. Reagan, worried that the U.S. position in the talks would be weakened by any hint of discord among the allies, had hoped to persuade Mr. questions about Soviet compliance. Martens to resist political pressure and accept missiles scheduled for deployment beginning in March.

If the United States should reach a point at which it would consider testing and deploying weapons in

Mr. Martens was expected to between Mr. Shultz and Mr. Gro-WASHINGTON — Prime Minhear that message reinforced durister Wilfried Martens assured ing separate afternoon meetings Mr. Reagan's national security adviser, Robert C. McFarlane, said with Secretary of State George P. Shultz and Defense Secretary Ca-Monday that he was sure the Bel-

> his own ruling coalition to postpone deployment to allow time for U.S.-Soviet arms talks to progress.

ploying missiles on schedule would help provide incentives needed for the new talks.

Mr. McFarlane said that it would be "out of place" for him to comment on Belgian opposition to Those negotiations were the

# product of two days of discussions the deployment. Moscow's Message to Congress

violation of the ABM treaty, Mr. Shultz told Mr. Gromyko, it would point, at some time in the 1990s, discuss this with its allies and with when a defensive weapon would be feasible. It is then, they say, that a the Russians. But Mr. Gromyko, at least in his public comments Sunday, stressed that Moscow was not satisfied with the "research-only"

not to deploy more than 100 such defensive missiles in one place. The Russians have deployed their ABMs around Moscow, but the United States, believing that such missiles would not be effective, have not used their quota of 100.

In Geneva, Mr. Shultz reportedly reassured Mr. Gromyko that the United States was adhering to the ABM treaty and in fact raised

used as a shield behind which an American attack could be carried U.S. Magazine Editor to Quit

fensive" about the U.S. program, since defensive weapons would be

gian government realized that de-

The Associated Press WASHINGTON — Marvin L. Stone, 60, editor of U.S. News & World Report announced Monday that he will be leaving the magazine testing and deploying weapons in in early spring.

# **Polish Official** Says He Lied **Under Orders About Priest**

TORUN, Poland - A police colonel accused of instigating the murder of the Reverend Jerzy Popieluszko said at his trial Monday that he lied during investigations on the orders of an Interior Ministry official, General Zenon Platek.

Colonel Adam Pietruszka told the Torun Court that after Father Popieluszko's kidnapping he mis-led investigators about the timing of the discovery of the possible in-volvement of men from his depart-

He said he did so on instructions from General Platek, who has not been charged in the case but was suspended at the time of Colonel Pietruszka's arrest.

The colonel said he could not accept his statement to the investigators as "concealment on my part. When I heard from Platek, I assumed that everyone who should have known did know."

Three junior security police officers under Colonel Pietruszka's command, Captain Grzegorz Piotrowski, Lieutenant Leszek Pekala and Lieutenant Waldemar Chmielewski, have admitted abducting

and killing the priest.

Colonel Pietruszka, who denies aiding and abetting them, is also accused of trying to cover up the crime. All face possible death sen-

Father Popieluszko, a leading supporter of the banned Solidarity free trade union, vanished near To-run on Oct. 19. His strangled body was recovered from the Vistula River II days later.

The colonel said that he had lied on General Platek's instructions about when he found out that Captain Piotrowski's car was in the northern town of Bydgoszcz the

day of the murder. Last week, he gave evidence that car on Oct. 21 and ordered its removal from the Interior Ministry's garage. But he said he did not believe that General Platek was trying He said there was nothing "de-

to organize a cover-up. Monday, he repeated that the date was Oct. 21 but that General Platek told him to tell the investigators it was Oct. 22. He did not elaborate.

Colonel Pietruszka said one of the first reactions at the Interior Ministry to Father Popieluszko's disappearance was that it was a provocation organized by underground Solidarity and that he had gone to a monastery to meet the union's underground leader. Zbig-

# WORLD BRIEFS

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Warsaw Pact Meeting Is Postponed

MOSCOW (Reuters) — A Warsaw Pact meeting scheduled to be held this week in Bulgaria has been postponed indefinitely, according to an official announcement to be published in a Soviet newspaper Wednesday. An editorial spokesman for Sovietskaya Rossia read the text of the brief announcement, which said the decision was reached by mutual agreement of the pact members. It stated: "By mutual agreement, the routine meeting of the political consultative committee of the governments of the Warsaw Pact planned for the middle of January 1985 has been postponed to a later date, which will be decided."

The political consultative committee is the highest and broadest forum of the seven-member Soviet-led alliance, including the Communist Party

leaders and prime ministers. Foreign and defense ministers also were expected to attend the meeting in Sofia, the first committee meeting since one in Prague in June 1983.

#### China Denies Arms Accord With U.S.

BELJING (AFP) - China denied on Monday a report that it had concluded agreements with the United States covering the sales of U.S. military hardware to modernize its fleet and courtesy calls by U.S.

destroyers to Chinese ports.

China and the United States have not signed any agreements, said Shi Ziyuan, a senior official in the department of foreign affairs of the People's Liberation Army. Mr. Shi added that Beijing would make an announcement on these questions at a press briefing on Wednesday.

A report by The Washington Post on Friday quoted U.S. officials as saying that Beijing and Washington had reached an agreement on the purchase by China of sonars, torpedoes, gas turbine engines for warships and rapid-fire, anti-missile guns. Mr. Shi dismissed the report as "incor-

## Sri Lanka Concedes Army 'Excesses'

NEW YORK (AP) - President Junius R. Jayawardene of Sri Lanka acknowledged in an interview published this week that the armed forces have committed "excesses" in dealing with a Tamil insurgency.

There have been excesses in dealing with a lamil insurgency.

"There have been excesses by the armed forces," he said in an interview published in Newsweek magazine. "We don't deny them. These things happened in Vietnam, in Londonderry. They happen in India every day."

Mr. Jayawardene also said that he would hold no more talks with the Tamil United Liberation Front "unless they give up their call for a separate Tamil state."

Japan to Restrain Nuclear Dumping

PORT MORESBY, Papua New Guinea (AP) - Prime Minister Yasuhiro Nakasone of Japan said Monday that Japan would not dump nuclear waste in the Pacific Ocean against the wishes of other countries in

Mr. Nakasone gave the assurance to Prime Minister Michael Somare of Papua New Guinea on the first day of a one-week trip that will also take him to Australia and New Zealand on a mission to improve Japan's standing in the South Pacific.

The Japanese leader stopped in Fiji earlier Monday for brief talks with

# Last week, he gave evidence that General Platek told him about the Europe Still Shuddering With Cold

PARIS (Reuters) — Subfreezing temperatures continued Monday in Europe for the eighth day, causing problems with transport and industry from the Danube in Romania to the canals of Amsterdam.

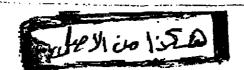
Officials in France said 107 people had died because of the cold wave that started Jan. 6. At least 34 people have died in Spain, where Mediterranean beaches were covered with 20 inches (50 centimeters) of snow. Snow and ice closed seven Italian airports — Venice, Genoa, Trieste, Turin, Bologna and two at Milan —and London's second airport

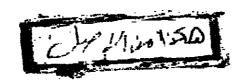
Late deliveries of spare parts closed factories in France. Market gardeners in Spain, Portugal and southern France estimated crop damage in the tens of millions of dollars.

#### Correction

The headline with the U.S. Credit Markets story Monday was erroneous. It should have said that bond prices dropped because of fears about a higher money supply.

# "Who makes the little software masterpieces that fit my PC perfectly?"





# **Corporate Discipline** \* Coming to White House

Regan Expected to Streamline Staff, Exert More Concentrated Authority

By David Hoffman

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Washington Past Service
WASHINGTON — In his new assignment as the White House chief of staff, Donald T. Regan intends to impose a sense of corporate order and discipline on one of the most powerful jobs in U.S. politics, with President Ronald Reagan as the chairman of the board and himself the "chief operating officer," close associates say.

Regan is a corporate creature. For a long time, he's been a divi-sion head who had complaints about headquarters," said a senior official who has worked with Mr. Regan while he has been Treasury secretary. "Now he's coming to

The president last week agreed to a job swap between Mr. Regan and James A. Baker 3d that could leave Mr. Regan with far more central-ized authority than was held by Mr. Baker, who shared power with Michael K. Deaver, the deputy chief of staff, and Edwin Meese 3d. counselor to the president. Mr. Deaver is leaving for a public-rela-tions job, and Mr. Meese has been renominated to be attorney gener-

"I'll be doing the whole thing now," Mr. Regan told a group of wire-service reporters Friday. "I'm not trying to grab power. I'm trying

"I saw the vacuum coming and felt that someone who had a knowledge of staff work and the issues would have to get in here and get in quick," he said. "To use a hockey term, we're changing lines here on

How Mr. Regan handles this new power could be critical in coming months as the president tries to exploit his landslide re-election in pursuing his policy goals in Congress. It is all the more important given the president's tendency to delegate authority to key lieuten-

While Mr. Baker had become a highly respected political tactician at Mr. Reagan's elbow, Mr. Regan, 66, comes to the post with little experience in politics. Skeptical colleagues in the administration and in the Republican Party wondered last week whether this will

prove to be a serious handicap. In an interview last week, Mr. Regan acknowledged that he is short on political experience but said he intended to hire "experts" to help him. "You've got to remember that the man I'm advising and helping has had a great deal of

Many other officials said in interviews last week that Mr. Regan would bring to the White House a sense of rejuvenation and energy, which they said Mr. Baker had lost after four frustrating years in the

post. Mr. Regan is "a fighter, he rolls and he comes with the punches, and he comes back and adapts, said Kenneth L Khachigian, a former Reagan White House speechwriter and now a private consultant. "It's a good trait for anybody going to work in that environment."

A senior Treasury Department official, speaking on the condition that he not be identified, said Mr. Regan believes that once a decision is made, "if you're going to be on that team, you're going to support that decision, or you get the hell off the team."

Mr. Regan's close associates talk about "more discipline" and a "tighter ship" with a corporate moul when he takes over after Mr. Baker is confirmed as Treasury secretary. Mr. Regan's attitude is that Reagan is the chairman of the board, and he is the chief operating officer," one said.

vou might call them division heads or corporate vice presidents," said the official — for such broad areas as domestic policy, congressional relations, communications and running the White

"There are something like 18 assistants to the president now," said another Republican official who worked in the Reagan White strategy they acknowledge could hurt their efforts to re-establish the

The ascension of Mr. Regan, a Wall Street maverick who was chairman of Merrill Lynch & Co., may portend a stronger role for the White House in domestic policy, several officials said.

One likely possibility, officials said, is that Mr. Regan will attempt to set up an economic-policy unit within the White House modeled after a similar office in the Ford administration. The idea would be to give Mr. Regan an in-house base for economic policy-making.

"For the first time in the Reagan presidency, there is an opportunity to structure the White House in the single, strong chief-of-staff tradition that was a hallmark of the Eisenhower presidency," said Richard G. Darman, who worked



Donald T. Regan: "I'm trying to fill a void."

# At the next level, there are indications that Mr. Regan intends to rely on a handful of deputies — On a U.S. Budget Plan

By Jonathan Fuerbringer

New York Times Service
WASHINGTON — Democrats in the House and Senate say they will let the Republicans take the party's leadership role.

The approach poses risks for their party, which suffered a crushing defeat in the presidential elec-Republicans have the responsibility to make the first attempt to cut the budget and reduce the deficit.

Robert J. Dole of Kansas, the Senate majority leader, is looking to 1986, when 22 Senate Republicans are up for re-election. He says he wants to cut the delicit now to put the economy in the best possi-ble shape and help Republicans keep control of the Senate.

"I think mostly we're sitting and watching," said Lawton Chiles of Florida, the ranking Democrat on haven't been invited to the party

said: "It is not frustrating to see Mr. Dole get out front. He is the majority leader and he has the major responsibility in this matter."

Representative Richard A. Gephardt. Democrat of Missouri, said his colleagues in the House "will not act until this president tells us what he wants and until the Senate has done something with the bud-

"We've got a bystander presition in November. Still, they argue dent who's not leading the counthat the White House and Senate try," Mr. Gephardt said on a television interview program, "and until he does, you're not going to resolve the problem."

Some House Democrats acknowledge that if Senate Republicans can push a deficit reduction package through the Senate, it will make the Democrats' effort to regain the leadership role in fiscal and domestic policy more difficult.

There are political risks for Mr. Dole as well. If he fails to push through a package to reduce the deficit, he holds the responsibility the Senate Budget Committee. "We for the failure, one Democrat said.

majority Democrats in the House assassination of Bashir, but the de-Robert C. Byrd of West Virginia, a comparable deficit reduction.

# **Judge Closes** Courtroom as Time Gives Arguments

NEW YORK — The judge pre-bomb explodes outside a political siding over Ariel Sharon's libel suit party office. A union organizer is against Time magazine closed the abducted and tortured. A journal-courtroom on Monday for an hour ist is beaten on a busy downtown to allow the magazine's lawyers to street talk to the jury about a confidential All letter involving secret Israeli documents.

The closing, over the objection of news organizations, came as Judge Abraham D. Sofaer of the U.S. District Court prepared to give ju-rors instructions for deliberations.

Mr. Sharon is suing Time over a Feb. 21, 1983, cover story that said he discussed revenge for the assassination of Lebanon's presidentelect, Bashir Gemayel, with Phalangists a day before the Christian militiamen massacred Palestinians in Israeli-occupied West Beirut. Mr. Sharon was Israel's defense minister at the time of the massacre in September 1982

In its Jan. 21 issue, Time pubstory that prompted the suit contained an error but that the magazine stood by the story's substance. in court, Thomas D. Barr. Time's chief lawyer, asked to read

to the jury a letter from Time's Israeli attorney that lists objections to the scope of an Israeli review of the secret documents.

Judge Sofaer said he had to clear the courtroom out of respect for the agreement with the state of Is-

The 1983 Time story said that information backing its claim that Mr. Sharon discussed revenge was contained in a secret appendix to an Israeli commission that investi-

Yitzhak Kahan, who headed the commission, reported that the review of secret commission documents, including Appendix B, did

Time stands by the substance of the paragraph in question: that 'Sharon also reportedly discussed with the Gemayels the need for the But if Mr. Dole succeeds, the Phalangists to take revenge for the

# Argentina's Plague of Violence Political Attacks Persist in First Year of Democracy

By Jackson Diehl Washington Post Service
BUENOS AIRES — The inci-

dents occur with torturous regularity. relentlessly reminding Argentimes of a past they long to forget. A bomb explodes outside a political All through its first year of dem-

ocratic government. Argentina has been plagued with a subdued but persistent undercurrent of political violence. The attackers mostly have been shadowy squads of men who rarely have been captured or publicly identified.

The principal targets, however, have been clear; human rights advocates, union organizers, politicians, social workers and students struggling to consolidate their work after eight years of military rule.
This series of incidents, which have in common intimidation and fear, seek to test the strength of democracy," Raúl Galvan, undersecretary of the Interior Ministry,

said recently. Since the beginning of 1984, aulished a correction saying that the thorities have reported about 40 bombings around Argentina, as well as at least 18 cases of persons detained, questioned and beaten by

Government officials publicly

"residues" of 10 years of conflict

Many politicians and human

rights advocates, however, say the

problem is more serious. The inci-

dents, they say, represent a concert-

forces to destabilize democracy

and return Argentina to its "dirty

There is a doctrine and a men-

Many Argentine analysts say the

to increase in the coming months as

tality and an established procedure

paramilitary squads. There have been six politically oriented attacks by armed men and dozens of threats. In addition, theauthorities uncovered an assassination plot against President Raul Alfonsin and defused a bomb planted on the plane of Isabel Pe-

military rule.

war" of the 1970s.

rón, a former president. describe the violence as isolated

In its correction, the magazine said of its lawyer's review of the between extremists of the left and secret documents: "Based upon his right Interior Minister Antonio Troccoli has frequently attributed the trouble to "the unemployed examination last week, Time now issues a correction: Appendix B the trouble to "the unemployed does not contain further details manpower" of paramilitary squads about Sharon's visit to the Ge-responsible for thousands of abductions and assassinations during mayel family. Time regrets that er-

ed campaign by organized groups on the right and within the armed gated the massacre.

not corroborate Time's claim.

behind it," said Emilio Mignone, the president of the Center for Le-The Time correction added, gal and Social Studies, a human rights organization. "These people think they are lighting to prevent the country from falling into Marx-

President Alfonsin's government nears a confrontation with adversames on the right and in the military over human rights cases. Another possible trigger to violence is upcoming ratification of a pro-posed treaty resolving the territori-al dispute with Chile over the Bea-

The year-long dispute over trials for human rights charges intensi-fied last month when the Supreme Court ruled that a federal civilian court could try nine former military commanders accused of directing repression. The military's own judges earlier refused to carry out the trials, and the otherwise fractious military leaders bave united in opposing sanctions

gle Channel.

against their former chiefs. The Senate is soon expected to begin an arduous debate over the Beagle Channel treaty, negotiated by the Vatican, that would award Chile control over three small is-lands at the southern tip of South America. The dispute nearly provoked a war between the two countries in 1978.

The settlement has already inspired a wave of violence by nationalist groups, and was believed to be the cause of a plot to assassinate Mr. Alfonsin when the presi-

Report Says Argentina

Is Rebuilding Military

United Press Interna

LONDON - Argentina has re-

built its armed forces to a level

where it could now wage a "war of

attrition" against the Falkland Is-

lands, a report by the Bradford

University School of Peace Studies

did when it invaded the Falklands

said it did not appear that Argenti-

said Monday.

noted that both the treaty with Chile and the trials of military commanders have been supported strongly by the public. The most serious threat, authori-

ties say, comes from organized paramilitary groups that appear to have continued the military's violent methods of repressing and in-timidating perceived political ad-

dent visited the city of Córdoba for

further and further into isolation

under democracy," said a presiden-

tial adviser, Dante Giadone, He

These groups have been pushed

a pro-treaty rally in November.

Some of the most celebrated incidents have involved members of the government commission that worked until September to investigate the thousands of disappearances during military rule.

The homes of the commission's representatives in the cities of Cor-doba and Mar del Plata and the office of a commission member in Rosario were seriously damaged by bombs, and a charge exploded at a Buenos Aires television station in July as it broadcast a commissionsponsored documentary.

A number of less-prominent activists have been detained, beaten, interrogated and in some cases tortured by paramilitary squads.

A typical case occurred late in October, when Lilian Perez, a local official of the populist Peronist Party, was seized by four men traveling in unmarked vehicles as she walked through downtown Buenos

Mrs. Pérez said she was blindfolded and taken to an underground garage where she was beat-en, burned with cigarettes and interrogated about the activities of

Argentina now has 30 more front-line combat aircraft than it French, Germ., Spor., Ital., Port., Durch., Don., Norw., Swed., Rus., Crech., Slov., Pol., Serb., Croot., Bulg., Roum., Hung., Fin., Grk., Lot., Alban., Arob., Turk., Pess., Molog., Viet., Loot., Comb., Thoi., Indian., Kor., Jop., Chin., etc. in 1982, and is thought to have 28 Exocet missiles, compared with five during the 1982 conflict with Britain, the report said. The study na intended to increase the level of confrontation with Britain or make ABC 44 R N.D. DES VICTORES another attempt to occupy the is-

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# A Pershing in Flames

container at a U.S. military base in West Germany. The missile was unarmed and the danger to civilians was reported to be nonexistent. Still, three American soldiers died and 16 were injured. Any accident having anything to do with a nuclear missile has a broad emotional fallout, and this one was no exception.

The Pershing was one of 108 such missiles which, along with 464 cruise missiles, the United States began deploying in Western Europe a little more than a year ago at NATO's behest, to counter the SS-20 missiles that Moscow had begun deploying more than four years earlier. Half of the Pershings are now in place. Everything about these U.S. deployments remains of high political sensitivity, including the response to the latest accident.

The governing West German coalition led by Chancellor Helmut Kohl, which resolutely supported the American deployments, avoided comment on the Pershing fire. This unfortunately gave the field to political elements that had opposed the deployments. The Social Democrats said the fire raised the question of whether the Pershings are "technically up to scratch" and called for a parliamentary probe. The Greens said the fire provided "further

It was a disturbing incident Friday when a Pershing-2 rocket motor ignited into a flash fire while it was being lifted out of its shipping container at a U.S. military base in West Still, would it not have been better if the Kohl government had immediately accepted a responsibility to see to it that the new missiles pose no unacceptable hazards to the German population? There has never, in the West, been an accidental nuclear explosion. There appears to be no reason to have feared an explosion in this instance. But nuclear anxieties are understandably keen for many Western citizens of all political persuasions and these anxieties need to be treated and respected by Western governments whenever the occasion arises.

The U.S. Army is conducting no fewer than three investigations. Its alertness in responding to this embarrassment is welcome. If, as seems probable, there is an innocent and simple explanation, then it will help to have it provided promptly and publicly. Yet there is a nagging question: Why three investigations? The number suggests a certain confusion about where the responsibility for these missiles actually lies. This has been a recurrent problem, or one to which the public has been exposed recurrently, in recent years. There never seems to be a straight line of responsibil-

ity, at least when things go wrong.

— THE WASHINGTON POST.

#### The Costs of Free Trade

be permitted to drive New York City garment workers to the unemployment lines? Why should Chile's nationally owned copper company be allowed to force mines in Arizona out of business? Why must steelworkers in Gary, Indiana, have to compete with those in South Korea who make \$2 an hour?

There is a good answer to all such questions: Open markets are vital to America's economic interests. But undeniably, free trade creates losers as well as winners. And those who understand the value of free trade have a political, and moral, duty to try spreading the pain more equitably. Open markets serve the Unit-ed States in tangible ways. Unfettered trade gives consumers access to a greater variety of products at lower prices. Trade forces domestic industries to adjust to changing technology before they become hopelessly inefficient. Perhaps most important, trade is the primary source of hope for the world's poor.

But the advantages of open trade apply to the economy generally. Specific sectors can suffer greatly. Americans are better off if they can buy winter vegetables from Mexico at lower prices, but unemployed farm workers in Florida are not. Grocers and shoe store owners in the crumbling mill towns of western Pennsylvania have no reason to rejoice over the

cheap, high-quality steel coming from Brazil.

To try sharing out the sacrifice, the U.S. government started the trade adjustment assistance program in the 1960s. A few hundred million dollars was spent each year on retraining and extra unemployment benefits for workers displaced by imports. But the program never had a constituency. Unions, seeing it only as an alternative to protected, highpaying jobs, labeled it "burial insurance." Lib

group of workers over worse-off victims of racism or hard-core poverty. So there was little resistance when the Reagan administration last year lobbied to kill the assistance program.

True, the \$20-an-hour auto workers who refuse to take big pay cuts to preserve their jobs do not need assistance as desperately as ghetto teen-agers who cannot read. True, the trade adjustment money was not spent effectively. But it still makes sense, practically and philosophically, to pay politically powerful workers to end their opposition to import competition. Consider the steel industry. According to Robert Crandall, an economist at the Brookings Institution, it costs \$100,000 a year in higher prices to protect the job of a single American steelworker.

Nor is it necessarily beyond the capacity of government to provide limited, well-targeted aid to ease the transition for businesses, workers and communities. Such aid might include training and relocation allowances for younger workers, speeded-up pensions for older workers, subsidized loans for companies and cash grants for affected communities. Assistance would be linked to specific cost-cutting con-cessions from labor and suppliers and to a gradual reduction of productive capacity. Japan, for example, has managed just such a program for its aluminum industry.

Industry by industry, the battle to maintain open markets is being lost. With nothing else to offer constituents victimized by rapidly changing trade patterns, elected officials succumb to protection. If the drift continues, if Washington continues to deny the possibility of general interest solutions to special interest problems, the economic cost will be enormous.

# **GM's Saturn Experiment**

is going to begin by building a totally new company. Its Saturn Corp. will be a great experiment for the U.S. industrial economy.

The people who run GM, it seems, finally lost their tempers after years of being needled and chided for their inability to compete with the Japanese. They got fed up with the figures showing that labor productivity in their plants was a third lower than in the Japanese factories. They understood that, if GM was to keep selling American-made cars, it was going to have to make them in radically different ways. That is what its new subsidiary, the Saturn Corp., is going to represent.

Traditionally the American automobile industry achieved high productivity through very long production runs. That worked beautifully in the 1950s and 1960s, when the rate of innovation was low. But that era ended in the 1970s, Success had made GM vulnerable. It had turned into a gigantic organization with its own entrenched habits and rigidities. New ideas were always introduced in the shadow of old habits. That is why GM is now going to create a wholly new company, outside the established organization.

As an intermediate step, GM has entered a joint venture with Toyota that, under Toyota's direction, is now producing cars in Fremont, California. GM's chief interest is to see wheth-

To build a totally new car, General Motors er Japanese methods of management and labor relations can work well with American managers and American production workers who belong to an American union. So far, although the operation is still in an early stage. it is going well. GM evidently feels that it is

ready for the second, more dramatic step.

The Saturn project is going to tell the United States a lot about industrial innovation. It is a declaration that sometimes you cannot change the product without changing the structure of

the team of people who make it. In the Saturn plants, GM will push for labor productivity of a wholly different magnitude than ever achieved in U.S. auto manufacturing. That cannot be done with the traditional. almost military structure of the factory work force with its gradations of rank. Perhaps it cannot be done with the traditional management-labor adversary relations. Saturn's workers will belong to the union, but the contract and work rules will be quite different from those governing GM's older plants.

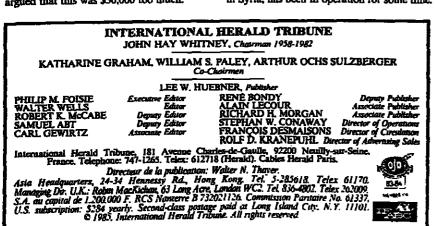
It is a risky venture. The outcome may depend in the end on things that GM cannot control — like the exchange rate of the dollar. But it is heartening that this immensely important American company, hard pressed for more than a decade by its competitors overseas, is no longer on the defensive.

- THE WASHINGTON POST.

#### FROM OUR JAN. 15 PAGES, 75 AND 50 YEARS AGO

1910: Taft's Pay Raise Is Criticized WASHINGTON — Had the President's daughter and son, Miss Helen and Robert Taft, remained in the House gallery a few minutes longer [on Jan. 4] they would have heard their father criticized by Representative Adair of Indiana for alleged extravagances of the Executive Department. Mr. Adair said the President's salary should not have been in-creased to \$75,000 a year, adding that a President with practically no expense who could not save from an income of \$50,000 a year a sufficient sum to live in ease the balance of his life, in my judgment, does not have sufficient business capacity to direct the affairs of this great nation." As for the President's allowance of \$35,000 for vehicles, stables, eu., Mr. Adair argued that this was \$30,000 too much.

1935: Iraq Opens a Pipeline to Haifa KIRKUK, Iraq — Pressing a button which set oil flowing through desert expanses, under the Tigris and the Euphrates, over the hills and below the cedars of Lebanon, King Ghazi of Iraq [on Jan. 14] inaugurated the 1,200-mile pipeline from here to the Palestinian port of Haifa. Sir Francis Humphreys, the British Ambassador to Iraq, and Earl Stanhope, British California. ish Parliamentary Secretary for War, were present at the ceremony. The pipeline took two years to lay, and cost over \$50,000,000. It connects the Mesopotamian oilfields with the Mediterranean. Eleven pumping stations, with dwellings for officials and engineers, have been erected between the terminals. The French branch of the pipeline, with a terminus in Syria, has been in operation for some time.



# Russia's Technology Gap: A Prod to Dynamic Reform?

WASHINGTON — In the weeks leading up to the meeting between Secretary of State George P. Shultz and Andrei Gromyko, we heard a great deal about the competing factions in the administration in Washington. But what about the fac-tions in Moscow? Might they be relevant to arms control negotiations?

Two basic problems have bedeviled the analysis of Soviet politics in recent years. First, we have failed to understand the driving forces and foreign policy imperatives of eco-nomic reform — the central subject of debate on the Soviet political agenda. Second, we have erred by characterizing the Soviet Union foreign po-licy debate as "detente vs. anti-detente." Instead there are at least three basically pro-détente positions in Moscow, a distinction West-ern analysts have failed to make.

Today's Soviet Union is divided between the more conservative lead-ers, mostly older men, who fear change and are eager to make peace with the United States to avoid internal reforms; and others, mostly younger men, who are themselves di-vided on many foreign policy issues, but united in their desire to remake the Soviet economic system.

Ironically, a hard-line American policy, which in turn encourages Moscow's hard-liners, also boosts the boldest reformers — men whose po-litical success could pose the gravest challenges to American interests. Perhaps the biggest single stimulus to internal economic reform is President Reagan's "Star Wars" missile defense program, which has confronted the Soviet leadership with a painful re-minder of its own failures to match Western technological might. If the elderly leaders now in power

cannot find a political solution to the Star Wars challenge, the younger generation seems destined to reject their policies in favor of bold and adventurous new experiments intended to make the Soviet Union more innovative and competitive.

There is a central observation to be made here: The Soviet Union and Japan began to industrialize at the same time, and both suffered grievously in World War II, but today Japan can compete effectively with

Kremlin leaders must move toward integrating the Soviet Union into the world economy in a way that China is just beginning to do.

the United States in the export of the highest-technology products, while the Soviet Union cannot even produce simple machinery that can be sold in Eastern Europe and the Third World. There is not the slightest evidence that the present economic system will ever be capable of solving this problem.

Soviet system offered a model that other countries would want to copy has turned to ashes in recent years. Communist revolutions now occur only in the most backward countries. It is the Japanese model that is influential, and the Soviet Union looks as if it will fall behind not only Europe and Japan, but also South Korea. Singapore and maybe China.

In an interview published in the military newspaper Red Star last May 9, Marshal Nikolai Ogarkov, then chief of the Soviet general staff, went a step further. He hinted strongly that the Soviet economy was not capable of maintaining Soviet mili-tary equality with the West. Both in that interview and in an article published in November (two months after he was suddenly removed from his post), Marshal Ogarkov essentially said that nuclear weapons are unus-able. The number of nuclear weapons is so great, he said, that "you do not have to be a military man or a scholar to understand that a further buildup of them is becoming senseless." The fact that all these points were repeated either verbatim or in stronger language in the November article was a signal that he was not removed for saying them - that the leadership

essentially agrees.

In the May 9 interview, Marshal Ogarkov implied that conventional weapons or technological breakthroughs would be decisive. He painted the gloomiest picture of "the rapid changes in the development of conventional means of battle ... [which] sharply raise the lighting capacity of conventional weapons, bringing them to the level of weapons of mass destruction in their effectiveness" and "the rapid development of science and of technology [which] create the real preconditions for the appearance in the near future of still more destructive kinds of weapons based on new physical principles."

He pointedly cited a statement by Friedrich Engels about the dependence of the military upon the economy. These statements were not reprinted in the November article, a clear sign of how Marshal Ogarkov got in trouble with Konstantin Chernenko, the nation's leader.

If the Soviet population senses that the traditional communist system will doom the Soviet Union to a progressively inferior world position and even threaten its military security, the stability of the Soviet system will be in jeopardy. The Russian people are not an inert mass; they conducted two of this century's most drastic revolutions, in 1905 and 1917. They are fully capable of another.

If the driving force of economic

reform were simply the long lines in the stores and the poor selection of consumer goods and foods, reform would require difficult changes in so-cial policy — a raising of the prices of items such as meat and bread, incentives for managers to economize on labor and to fire inefficient workers. toleration of riches for the innovative. These would not, however, have major foreign policy implications,

By Jerry F. Hough This is the first of three articles.

logical backwardness, the foreign policy implications go deeper. Leonid Brezhnev seemed to think that importing Western technology would solve Soviet difficulties, but now Soviet economists understand that the opposite solution is more appropriate. Soviet managers will never pro-duce goods of world-level sophistica-tion and quality unless they are forced to meet foreign competition. Soviet managers must be forced to export technology and to compete with that which is imported.

The Soviet leaders now must move toward integrating the Soviet Union into the world economy in a way that China is just beginning to do. But how is Soviet business going to

compete if Russians do not develop a feel for Western society and tastes? How can this be done without permitting greater contact with Western (and Moslem) ideas? How can the Soviet Union move toward much more intimate contact with the world market without permitting greater economic integration of West Germany and East Germany, of Western Europe and Eastern Europe?
The answers to these questions are

clear enough and raise a separate set of questions: How do reformers in Moscow sell a program that arouses workers' fears of higher prices and unemployment (fears that led to a Solidarity movement in Poland), the managers' fears of foreign competition and the conservatives' fears of the subversive impact of foreign ideas? And how do they do it when the United States is in an essentially

confrontational posture?

If the published Soviet debates of the last two years are a guide, the answer is clear. The Soviet leaders sell their reform ideas with anti-Americanism. Like Marshal Ogar-kov, they talk about the relationship of Western technology to modern weapons and suggest that military security demands reform. Like the new director of the major international relations institute IMEMO (Alexander Yakovlev), the former editor of the government newspaper Izvestia (Lev Tolkunov) and the former ambassador to West Germany (Valentin Falin), they speak about a messianic, repulsive American politi-cal culture with which it was always impossible to do business, even under President Nixon.

And they sell it in private counsels, according to my Soviet informants, with anti-American proposals for moves to woo Western Europe and Japan with concrete gestures. These could include returning to Japan the four disputed islands Mescow seized after World War II, allowing the Japanese to build Toyota plants in Sibe-ria or permitting real West German-East German rapprochement.

The writer is a professor of political science at Duke University and a member of the staff of the Brookings Insti-tution. He contributed this comment to



Manne

The state of the s

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Read me again the part about the West collapsing under its own weight.'

# There Are Land Mines Under America's Big Banks

N EW YORK — Despite some good financial news on the international front — the rescheduling of Argentina's debt, for example the American banking system is still in trouble. Every major bank is siting on a land mine of bad domestic loans, largely to farming and oil-related industries — a land mine ready to explode and shake investor confidence in the banking system.

Virtually every sophisticated person is skeptical of management claims to have dealt with the problem. Continental Illinois's bad loans, for instance, turned out to be twice as large as management said they were. The result is that banks are increasingly vulnerable to rumor and possible panic. With worldwide 24-hour elec-tronic banking, a crisis of confidence could erupt in minutes. Nobody runs faster than a sophisticated investor who gets scared. The run on a bank would be invisible: no lines of depositors outside the door, just telexes withdrawing funds. In the next crisis, it may not be possible for federal authorities to quarantine the disaster, as they did with Continental-Illinois. Confidence may be a more valuable commodity than cash. How did the banks get into this mess? What

can be done about it? In the last 10 years there have been fundamen-tal changes in banking economics and bank management philosophy.

To begin with, the best U.S. companies, which

used to constitute a big percentage of "prime" bank borrowers, abandoned the banks and began borrowing directly from the financial markets by issuing their own commercial paper. This left the banks with lower-quality borrowers.

By Mortimer B. Zuckerman

Second, inflation in the 1960s and 1970s led to higher interest rates and induced depositors to withdraw funds from banks and invest instead in money-market funds, which were not restricted by interest-rate ceilings that applied to the banks. The banks then pushed for elimination of these ceilings to attract new depositors.

But to cover the cost of higher interest rates, the banks invested their funds in loans that sacrificed quality for yield.

Third, members of the Organization of Petroleum Exporting Countries deposited vast amounts of petro-dollars in major U.S. banks. To recycle these huge inflows, the banks made loans to large borrowers, mainly Third World countries, on terms that sacrificed quality for volume.

Finally, on the domestic front, the banks made heavy loans to companies with assets benefiting from an inflation assumed to be endless. When inflation dropped in the '80s, companies in industries such as oil, mining, shipping and land found their collateral and cash flow deteriorating

as prices for their assets held steady or dropped.

While all this was happening, bank management changed its philosophy to one of high growth. But it is an iron law of banking that a bank is only as good as its customers; and in their pursuit of growth, the banks loaned too much money to weak borrowers.

Federal authorities must force banks to rebuild capital and increase loan loss reserves, and simultaneously restrict banks from expanding their business at a rate above that supportable by their capital base. It is a time for bankers to

be safe rather than smart.

Second, the Federal Reserve and the Federal

Deposit Insurance Corp. must continue as lenders of last resort to insure banking liquidity. Banks must be perceived as a safe place to keep

money you cannot afford to lose.
Third, the Fed and the nation's political leaders must act to lower interest rates decisively. The central issue is the deficit. The single most destabilizing factor in financial markets is the uncertainty bred by an economy burdened with \$200billion deficits as far as the eye can see. These deficits, which create strong upward pressures on interest rates, could unravel the economy. To paraphrase Trotsky: "You may not care about the deficits, but the deficits care about you."

Traditionally, banks have been housed in imposing buildings with massive columns and doors, and other architectural artifacts symbolizing security and safety. Today many banks are selling and leasing-back their headquarters buildings to raise capital. The reality is that these structures are now becoming liabilities rather than assets. If we do not act, Willie Sutton, the famous bank robber, may be the last to say of banks: "That's where the money is."

What is to be done?

The writer, publisher of the Atlantic Monthly
First, increasing bank capital must be the
cornerstone of efforts to stabilize the banks.

The writer, publisher of the Atlantic Monthly
and chairman of U.S. News and World Report,
contributed this comment to The New York Times.

# Capital Punishment: A Legal Bloodbath Deepens

N EW YORK — When the Supreme Court reinstated capital punishment in 1976 - 38 states now authorize it, including four by hanging and four by firing squad — I believed there would be few executions, that the public wanted criminals condemned but not necessarily

killed by the state. I was wrong; gradually, and with little public protest —quite the oppo-site — the bloodbath has deepened: one execution in 1977, two in 1979, one in 1981, two in 1982, five in 1983. 21 in 1984, three already in 1985 and two more scheduled this month.

If January's pace holds, there will be 60 executions in 1985, perhaps 20 of blacks; on that scale, it is legally and statistically likely that one or more of those killed will be innocent or not mentally responsible. A strong proponent of capital punishment. Senator Arlen Specter of Pennsylvania, a former prosecutor, was recently asked on television whether he worried about "mistakes" being made in carrying out the death penalty.
"Yes, I do," the senator said. But,

he added, "the way the criminal trial to intervene. So did the Georgia system works today, with the numerous procedural safeguards, the likelihood of a mistake is really very, very,

very remote." Is it? Last week the state of Georgia put to death a 28-year-old black, Roosevelt Green, for a 1977 murder he insisted he did not commit and that another man admitted having done; Mr. Green was described by the trial judge in a report to the Geor-gia Supreme Court as only "an accomplice in a murder committed by another person." The report said Mr. Green's "participation in the homi-

cidal act was relatively micor."

Carzell Moore, another black sentenced to death for the same murder (of an 18-year-old white woman). told another prison inmate that Mr. Green was not even present during the shooting. Five years ago, the U.S. Supreme Court ordered another trial: a Georgia jury again imposed the death penalty. Earlier this month the Supreme Court, on a tie vote, refused

By Tom Wicker

Board of Pardons and Paroles. So much for "procedural safeguards" and the "very, very, very remote" possibility of a mistake being to receive the death penalty. made. Does one reversal and one tie vote in the Supreme Court suggest the certainty of guilt? Should that not

hand that throws the switch?

On Jan. 24, for a different example of the infallibility of modern justice.
the state of Virginia intends to execute Morris Mason, a black man with an I.Q. of 66 who has been diagnosed as a paranoid schizophrenic. Is he so clearly responsible for his behavior - a brutal rape and murder - that he must be killed? Even though he requested to be taken off the streets before he committed the crime?

The separate sentencing procedure

required since 1976 for imposition of the death penalty may reduce but cannot eliminate "mistakes"; it has not eliminated racial prejudice. Al-

are in the South, particularly Georgia, Florida and Texas; and about two of every five death row inmates are black. Studies show that a black convicted of murdering a white is more likely than any other defendant

And the racial skew obvious in execution statistics since they were fust kept in 1930 is as visible as ever. be enough uncertainty to stay the The first five executions, from 1977 to 1982, were of whites; since then, 11 of 30 persons executed - more than

As the legal bloodbath deepens, Americans may think, as Mr. Specter does, that they are deterring crime: but that is a belief no one can show to be a truth. In fact like New York's subway gunman, like Dirty Harry in the movies. Americans are only striking back at criminals, however futile. indiscriminate or unfair the blows.

Some might call this reaction "un-derstandable": but in some circumstances, even murder might be understandable. That does not make killing admirable, or a bloodbath clean. The New York Times.

# For Reagan's Inaugural, a Few Tips

MIAMI — What will be at the center of Ronald Reagan's concerns this week? What will be be spending his time on?

Not the reverberations from the

departure of a trio of cronies. (A cartoon by Morin in the Miami Herald shows the president, on his knees, clinging desperately to Nancy Reagan in her overcoat, as she says, "Honestly, dear! I'm only stepping out to do some shopping!")

Nor does he feel the need to urge

on the Senate majority leader. Robert Dole who tells Democrats that no tax increase is possible this year, thereby using the threat of a fouryear, trillion-dollar deficit to force cuts in the growth of entitlements and military spending.

Nor is Mr. Reagan worried about

Andrei Gromyko's interpretation of last week's demi-summit in Geneva.
That was last week's Topic A, and presidents work in what to the rest of us is the week to come. His mind is fixed on the vellow pad

in the folder marked "Second Inau-gural Address." This is the 50th U.S. inaugural and Mr. Reagan is the 40th president, but just over a dozen men have been blessed with the opportu-nity to rededicate their administrations, to deliver a second inaugural. On an occasion piled so high with difficulty, here are a few tips on how

the speaker's breath shown in vapor

to help a nation disenthrall itself: First, fit the message to the place. This is an outdoor speech, with the Capitol dome in the background, and By William Safire

pression, and the place for great themes to be evoked rather than a program to be sold. Time enough later on, in the State of the Union address, an indoor speech to the Con-gress, to flesh out that theme.

Next, suit the theme to the time. This is not a first inaugural, which traditionally breaks with the past and sets new departures, new deals, new directions. A second inaugural must not merely restate the first inaugural's goals, but should show how second-term goals build upon and reach

beyond those of the first.

A unity theme, for example — a reminder that we are "we, the people" — is more appropriate to a first inaugural after a squeaker victory. When Richard Nixon called in his but Mr. Nixon — narrowly elected amid the divisions of the Vietnam War - was reaching for the appeals of the first chief executive seeking to

be "president of all the people." But Ronald Reagan has been re-elected in a landslide. The nation is as united as it is ever likely to be. A big majority has said. "We're with you, Mr. President": now it remains for Mr. Reagan to tell us where he would

like us to go.

The Reagan first-term themes in the frigid air. This is the place for Growth Without Inflation, Peace poses of his leadership. But because the problem is techno-homely grandeur, not intimacy of ex-Through Strength. Return to Tradi-

tional Values - can be restated with effect, but the question arises: How have these evolved after four years?

What will he be doing to speed the return of Washington's power to "we, the people"? Inflation is down; what sacrifices are required to sustain growth and cut deeply into unemployment? We

have regained our strength and in-duced the Russians to renew arms talks - now what are his criteria for the kind of agreement he is seeking?
And yes, "Traditional Values"
have gained new respect, but which values among patriotism, protection, privacy and piety does the president envision as being central to the coming four years?

In the stumbling summation at the end of his first debate with Walter Mondale, Mr. Reagan seemed to be reaching for a Vision of America; next Monday, perhaps he can encap-sulate his goals with a half-dozen sentences that begin with the traditional "I see an America where . . . On his record to date, the presi-

dent is likely to be remembered by future generations more for what he has represented than for those things be has said. He leads by being and refraining, rather than by doing and explaining.

If he can turn out a memorable inaugural address next week, and follow it with a State of the Union that picks up its themes and makes them specific, the re-sworn president will prove to his countrymen that he understands and can articulate the pur. a share of the Chinese market.

The New York Lines

#### LETTER Japan's World Role

Regarding "Reckoning the Japan Variable" (Dec. 28):

Dominique Moïsi's keen geopolitical analysis of Japan's diplomacy is simplistic in attributing to a "chameleon-like" society Japan's current multifaceted relationship with the United States, the Middle East, Southeast Asia and China.

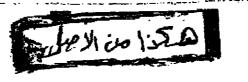
Despite its political stability and economic progress, Japan is not yet seen as a bona fide partner on the world scene. It reacts to outside pres-Sures but rarely takes initiatives.

One missing element in Mr. Moi-

si's reasoning is Europe. The European Community has never had a better opportunity to improve its credibility in Japan's eyes. While taking shelter under the American umbrella and dragging its feet on its regional peace-keeping responsibilities, Japan is looking for a more balanced relationship with the West. Europe is the natural partner, with a coherent po-licy toward Moscow and the Third

World, and common interests with the Japanese on Middle East affairs. Japan is indeed making great strides in developing a special relationship with China, but it incurs the risk of being severely criticized by Beijing when the Japanese defense budget exceeds I percent of its gross national product - and this at a time when the "four dragons" (Hong Kong, Singapore, South Korea and potentially Tarwan) are also vying for

JEAN BARTHELEMY.



thet this RAWHIT INC



# U.S. in Dilemma on Costa Rican Bananas

United Brands has grown and harvested ba- enormous. nanas in four large plantations on Costa Rica's west coast since 1938, when the company was known as United Fruit and well-known for its involvement in Central American politics.

Latin Americans have long called the company "the octopus" and accused it of buying and selling politicians as easily as it did bananas.

The government of Costa Rica, a country long held up as a showcase for democracy in Central America, lears that the company's reduction in operations could lead to leftist-inspired riots and economic distintegration.

An estimated 50,000 Costa Ricans still depend directly or indirectly for their living on the Pacific coast plantations. Costa Rica relies on the bananas for about \$40 million a year in concessionary payments and taxes on exports and workers' incomes, a crucial sum in the context of the nation's \$4-billion foreign debt.

Department official said.

The U.S. government.

After two people were killed and many others injured during a 72-day wage strike by leftist banana workers' unions last year, United Brands decided to shut down the operation in October. Production was damaged by the strike, and the company could no longer compete in the western U.S. markets with cheaper fruit

from Ecuador and elsewhere, the company said. "We recognize the severity" of the decision's impact, said George M. Skelly. United Brands'

its 50-year banana-planting contract

"I trusted that the American government would be more interested in helping our little democracy to strengthen itself than in helping a strike, which shut down operations. During the company that may be, apparently, in breach of contract," Mr. Jiménez said. He and the Costa
Rican foreign minister, Carlos José Gutierrez,
met in Washington last month with State Department and United Fruit officers.

Santa foreign want of spra
the rest deteriorated, he said, for a fun
estimated in September at \$6 million.

The company and the country has

But the State Department has remained neutral in the dispute. "We can't get involved in the commercial passe. Mr. Skelly denied that the company had operations of a U.S. business overseas," a State abrogated its contract, asserting that it requires

U.S. sugar interests. It has now threatened to default on its international debt.

Puerto Rico also faces a large unemployment buy the property over many years, rehabilitate problem, and despite its U.S. commonwealth the half of it that can be saved and sell the senior vice president and general counsel, "but we can't afford to continue something like this."

Mr. Skelly said the company would continue they cannot get a hearing when Congress is reduced price. status its diplomats routinely complain that bananas it produces to United Brands at a

By Justine Omang it submission from Section is torm between its support for free enterprise and its support for Costa Rica, where the United Brands Co., a major fruit conglomerate, Danilo Jiménez, minister of the presidency of Costa Rica, said in a recent interview that "the Costa Rica, he said, amounted to Costa Rica, he said,

enormous."

He said an International Monetary Fund agreement to help Costa Rica with its debt problems hinged on stable banana production and that United Brands has four years to run on its 50-year hanana-planting contract.

Mr. Skelly said the company's west coast banana plantations were losing So million a year strike, which shut down operations. During the strike, more than a third of the banana plants were lost to a fungus for want of spraying and the rest deteriorated, he said, for a further loss

The company and the country have been negotiating on tax rates and fruit prices since mid-1983 in an effort to avoid the current im-passe. Mr. Skelly denied that the company had only that bananas be planted, not that they be

reasons."

The policy has frustrated other nations as well. The Dominican Republic tried last year to win special consideration for its sugar, which is practically its only export, but it was blooded by the process of the policy in the policy has frustrated other nations as well and parcels for token prices and sell the rest of its Pacific operations to the Costa Rican banana authority for \$15 million.

"We'd love that, but we haven't got \$15 million."

Current talks concern some kind of lease

back arrangement in which Costa Rica would

# IF YOU THINK THE FIREBRANDS OF THE 1960'S

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# **BusinessWeek**



# **Cambodian Resistance** Fails at Guerrilla Tactics

#### Non-Communist Khmer People's Front Still No Match for Vietnamese Troops

By William Branigin

aggressive Vietnamese offensive recorders and gardens. along the Thai-Cambodian border since 1979, and unable to defend its turning point in its struggle against Hanoi's six-year occupation of Cambodia.

Since mid-November the Khmer People's National Liberation Front, led by Son Sann, has lost six

#### **NEWS ANALYSIS**

camps along the border to Vietnam, and another has been largely evacuated in expectation of an imminent Vietnamese attack.
The latest to fall was the

camp, a showcase settlement of 23,000 Cambodians about 40 miles (64 kilometers) northeast of the That border town of Aranya-diplomatic support, it lacks a com-prathet. The camp was the site of mitted arms donor willing to keep the front's military headquarters.

The loss of Ampil showed that while the front has made great progress since 1979, when it started with virtually nothing, its approxi- the Khmer Rouge, whose 30,000 to mately 15,000 fighters are still no another for the Vietnamese and remilitary threat to the Vietnamese. main militarily a junior partner in a resistance coalition with the power-

ful Khmer Rouge Communists.
The defeat also underscored a necessity for the Khmer front to adapt to guerrilla tactics and try to avoid being pinned down on the border by superior Vietnamese forces drawn from the estimated 160,000 to 180,000 occupation troops in Cambodia.

But the front evidently faces a major and daunting task in attempting to push its struggle into the Cambodian interior with guerrilla methods.

Guerrilla struggle is largely alien to the front's military leadership, which is composed mostly of offi-cers who served under the Lon Nol government that took power in a 1970 coup and was overthrown by the Khmer Rouge in 1975.

They and the camp leaders who seem to value their settled lifestyles bearing the brunt of a Vietnamese

in the resistance bases, where they BANGKOK — Facing the most homes with such amenities as video

There they were also saddled with the defense of large, concenlarge settlements, Cambodia's trated populations of refugees, to-main non-Communist resistance taling more than 150,000 of the group appears to be reaching a estimated 250,000 Cambodians who live along the border under the control of the three anti-Vietnam-

ese resistance groups.

Other difficulties impeding the front's development as a guerrilla force in Cambodia include shortages of arms and ammunition and intensified Vietnamese efforts to stop guerrilla infiltration.

The efforts include the construction of a defensive barrier inside Cambodia parallel to the border, for which the Vietnamese reportedhave mobilized thousands of Cambodian civilians

A major problem for the front is that, although it enjoys Western it well supplied.

Most of the front's weapons have come from China, but Beijing has always shown more generosity to The third party in the resistance

coalition, a faction loyal to Prince Norodom Sihanouk, the former chief of state in Cambodia, is a relatively negligible military force of 5,000 to 8,000 fighters and has not yet come under attack in the Vietnamese offensive. In fact, there have been indica-

tions that Hanoi would like a separate deal with Prince Sihanouk that would give credibility to the Vietnamese-installed Heng Samrin government in Phnom Penh and undermine the resistance coalition.

When Prince Sihanouk was visitthe Phnom Penh government's foreign minister, Hun Sen, attempted to see him, but the prince refused a

The Khmer front, apparently the have emerged as local warlords primary target in the offensive, is



Vietnam has reportedly tried to make a separate agreement with Prince Norodom Sihanouk, above, leader of Cambodia's resistance coalition, while Hanoi's troops attack Ampil and other allied camps of Son Sann, above right. He is leader of the Khmer People's National Liberation Front.



strategy evidently aimed at discred- forts to exercise greater control iting the organization as a political over the group and hinted also at threat to the government in Phnom pecuniary motives. Penh. This would buy time for the

brought on by Vietnam's invasion Cambodia in December 1978, gistics problems. the diplomats say, increased mili-

litical settlement. mats say, much depends on how largely intact. Thailand reacts to the Khmer front's losses

Front officials, including Son Sann, have complained that the group's guerrillas were hampered camps by shortages of arms and ammunition, deliveries of which are controlled by the Thais.

It remains unclear why fresh munitions might have been withheld

NONG SAMET, Thailand -

New fighting broke out Monday at

Nong Samet, a base that Cambodi-

an guerrillas of the Khmer People's

National Liberation Front have

been trying to retake from Viet-

namese troops for three weeks,

The Thai officers said machine-

gun fire erupted around the base

after Vietnamese artillery shells hit

the camp Sunday night and early

Monday. At least four guerrillas

Vietnamese troops attacked and

vere reported wounded.

That military officers reported.

Fighting Breaks Out Again

At Cambodia Guerrilla Camp

On the other hand, Western dipgovernment to consolidate its hold. lomats say, Thai authorities may To counter the Vietnamese strat-have perceived a defense of Ampil Western diplomats say, the as hopeless and wished to cut guerkhmer front must be able to operrilla losses. While the guerrillas ate in Cambodia and raise the cost managed to hold off a Vietnamese of Vietnam's occupation of the drive against the camp last April, country. this time the Vietnamese commit-combined with the international ted three or four times more troops, isolation and the economic costs tanks and artillery to the battle and apparently overcame previous lo-

As it happened, according to Son tary hardship there might induce Sann, the Ampil defenders suffered Hanoi eventually to negotiate a po- only 6 killed and 83 wounded, 20 incal settlement. seriously, and managed to pull out
In the short term, Western diploof the camp with their weaponry

> That Army sources put the toll higher, saying at least 20 guerrillas had been killed in the first day of fighting in the camp.

In a press conference on the boring Paris recently, according to in defending Ampil and other der Friday, Son Sann, 73, former Cambodian and Western sources, camps by shortages of arms and prime minister under Prince Sihaprime minister under Prince Sihanouk, said his guerrillas had destroyed eight tanks and armored vehicles and damaged six before withdrawing in the face of four from the Ampil defenders during last week's battle, although Khmer front leaders have cited Thai efheavy artillery.

chunks of the base a few days later but were unable to push out the

remnants of the attacking force be-

cause of land mines and a heavy

curtain of artillery and mortar fire.

■ Prime Minister Is Elected

Hun Sen, the Cambodian foreign

minister, was unanimously elected

prime minister by the National As-

sembly on Monday, The Associat-

ed Press reported, quoting the offi-

cial Cambodian press agency SPK.

had been serving as acting prime

minister since Chan Si died of ill-

Hun Sen, who is in his mid-30s,

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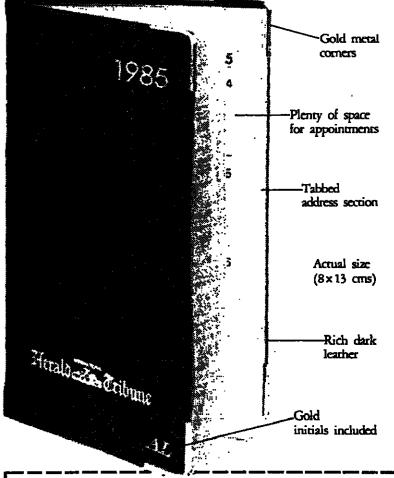
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# **Marcos Sees** Threat From **Communists**

By Abby Tan
Washington Pest Service
MANILA — President Ferdinand E. Marcos has publicly acknowledged for the first time the seriousness of a Communist threat in the Philippines.

In a message read to the national legislature as it resumed its session Monday, Mr. Marcos called on the nation to unite and fight "this menace to our society."
Mr. Marcos, 67, who has report-

edly been ailing since November, did not appear at the legislative

In his statement, he said: "The challenge to us now is to summon anew the will and the resolve to drive back this menace to our society. We must secure the discipline, the patience and the imagination to turn back this tide in our midst."

Mr. Marcos's statement was a departure from previous official pronouncements in which he played down the insurgency waged by the 11,000-member New Peo-

ple's Army.

Richard L. Armitage, the U.S.

assistant secretary of defense for international security affairs, held three days of talks with officials, and then called Saturday for more and then cause Saturday for more candor in assessing the problem. In offering the Philippines mil-tary and economic aid to fight the Communists, Mr. Armitage said



Richard L. Armitage

that U.S. aid would not be effective unless the problems "are faced squarely and honestly by both 25. Guerrillas recaptured large retains his post as foreign minister.

He reflected the frustrations of U.S. officials who have found the Philippine government less than candid in acknowledging the strength and influence of the Com-

The United States, which has two large military bases in the Philippines, views the rebels with deep concern, Mr. Armitage said. In his message to the legislature,

Mr. Marcos urged the government

and the private sector to get involved in the "ideological struggle for the minds and allegiance of He also urged the political opposition to abandon its "quixotic flir nation" with the radicals, saying

that its attitude would not advance legitimate political opposition.

on a little street called Rodeo Drive.

seized most of Nong Samet on Dec. ness in December. He apparently

# Kennedy Trip Highlighted Blacks' Rift in South Africa

By Alan Cowell New York Times Service SOWETO, South Africa - Senator Edward M. Kennedy's visit to South Africa has ended in disarray, with some South African commentators suggesting it had hardened white attitudes to change while highlighting divisions and hostility toward the United States within the country's black opposition.

Black demonstrators forced Mr. Kennedy to cancel plans for a speech Sunday at the conclusion of his one-week visit to South Africa. The Massachusetts Democrat

was to have addressed a meeting at Regina Mundi Cathedral in Soweto, South Africa's biggest black township, just outside Johan-nesburg. The cathedral, an unadorned edifice opposite a used-car lot, is where blacks, who are forbidden to hold outdoor meetings, assemble each year to commemorate those who died in disturbances in Soweto in 1976.

Three thousand to 4,000 people had assembled to hear Mr. Kennedy, when about 100 demonstrators of the Azanian People's Organizanon marched toward the altar, shouting: "No more Kennedy!" They carried placards that described him as an imperialist.

Bishop Desmond Tutu, winner of the 1984 Nobel Peace Prize and one of the senator's hosts, made a plea for calm and then announced that the senator's speech had been

canceled. Kennedy aides said they had recommended cancellation of the speech because it might have led to violence. In an interview aboard the aircraft that later carried him to Lusaka, Zambia, Mr. Kennedy said he had agreed to call off the talk for fear that it would provoke bloodshed if the police intervened.

An impression among reporters and black commentators accompanying the senator was that the cancellation had severely embarrassed Bishop Tutu on his home ground. It also seemed to underscore the shift in black attitudes since Robert F. Kennedy, the senator's brother, toured South Africa in 1966 and received an enthusiastic reception as the herald of a new era.

Since 1966, according to the Reverend Allan Boesak, president of the World Alliance of Reformed Churches and a co-host of the Kennedy visit, black South Africans have become distrustful of the West, particularly the United States, because foreign financial investment in South Africa is seen as

After word of the Cancenation became known, the bishop addressed his followers and said, "I in the same light," he said. "The want to find out something from basis of our objection" to Mr. Kennedy came to this need, he said, "is that he is coming to the loop also became to the same light," he said that he is coming the loop also became to the same light, he said the loop also became the loop and loop and the loop supporting the white minority re-



Senator Edward M. Kennedy with his son, Edward Jr., as they stopped Monday at Heathrow Airport, London, on their way back to the United States after a South African tour. The senator called the tour a "a great success."

But at that point, the demonstra-

tors set up a barrage of "No!" Op-ponents and supporters of the sen-

ator confronted one another before

the altar, but there was no ex-

change of blows. The demonstra-

Kennedy, Reject Imperialism."

tors held banners that said: "Reject

In a charged atmosphere, Bishop

Tutu then asked those who object-

ed to the senator's visit to stand up

and be counted; he did the same

with his supporters and the over-

Haroon Patel, a spokesman for

in the United States because of

America's "expansionist role" in

Vietnam and Cuba. "Kennedy," he

said. "is the epitome of U.S. impe-

Mr. Patel said the same treat-

ment would be given to the Rever-

sought to use his visit for political

whelming majority backed him.

While the demonstration at Re-Referring to the white authorities, he said: "The system is detergina Mundi involved only a small mined that this meeting should be number of those present, it seemed to reflect a deepening rift in black disrupted, and I do not want to give politics between those espousing a them that joy. My question to you multiracial opposition to apartheid is: Do you want Senator Kennedy to address the meeting?" A huge cry rose up from the audience: "Yes!" and those, like the Azanian People's Organization, advocating a protest position that excludes

Speaking to reporters before the speech was canceled, Bishop Tutu said Mr. Kennedy's visit had highlighted divisions that were leading to a "serious realignment" in the politics of black opposition. He described the confrontation as "a wa-

At the same time, legislators from the liberal end of South Africa's white political spectrum sug-gested that the visit had hardened white attitudes, producing a sense of chauvinism among those who associate Mr. Kennedy, as a hostile outsider, with black opponents

such as Bishop Tutu. In the cathedral incident, reporters had the impression that Mr. Kennedy's speech had been abandoned because of the presence of the demonstrators, but both the senator and Bishop Tutu insisted later that their concern had been with the possibility of police inter-

vention. Riot police were a few hundred yards from the cathedral but made

no move to enter it. After word of the cancellation country at my invitation. He is my here to canvas for the 1988 elec-

# Major Battle With Rebels Is Confirmed By Morocco

RABAT - Morocco has confirmed that a major battle took place over the weekend between its orces and Polisario guerrillas in the Western Sahara.

An earlier guerrilla communique from Algiers claimed Polisario forces downed a Moroccan Mirage F-1, killed 311 Moroccan soldiers, wounded another 250 and forced a disorderly retreat."

They later claimed they shot down two more Moroccan planes Sunday in the Dakhla region. The Moroccan Information Ministry confirmed Sunday there had been "violent combat" Saturday between Moroccan forces and "heavily armed and armored mer-cernaries," but claimed Moroccan

troops pushed the guerrillas back with "heavy losses." Morocco did not say where the fighting took place. The guerrillas said the engagement took place about 100 kilometers (60 miles) from the Algerian frontier along a

partially completed defense em-bankment being built by Morocco. The battle occurred amid reports of plans to try to hold a meeting that would include the leaders of North African nations, including Morocco, Libya, Tunisia, Maurita-

nia and Algeria. Algeria actively supports the Polisario, which uses bases on Algerian territory. Morocco and Libya signed a cooperation pact last

The conflict in the Western Sa-hara, formerly the Spanish Sahara, has deeply divided the Organiza-tion for African Unity. Morocco pulled out of the OAU after a majority of its members admitted the Polisario's political arm as a fullfledged member.

#### the Azanian People's Organization, told reporters his group opposed both Democrats and Republicans 418 Killed, 559 Injured In Ethiopia Train Crash

The Associated Press NAIROBI — At least 418 people died and 559 were injured when a train was derailed about 125 miles (about 200 kilometers) east of Addis Ababa, the Ethiopian capital, a railroad official said Monday. Ethiend Jesse L. Jackson Jr., who is expected here nex: month, if he opian relief officials said the passenger coaches were thrown into a ravine as the train rounded a curve at high speed Monday.

One relief worker quoted rail of-ficials as saying the engineer apparently failed to reduce the train's speed around the curve, throwing the passenger coaches down the ra-

# An Angolan City Reveals Its War Wounds

By James Brooke

New York Times Service HUAMBO, Angola — Four colonial-era statues, representing Patience, Temperance. Justice and Fortitude, lie abandoned in a field here. Presiding in their place at the former Portuguese-governor's pal-ace is a solitary, Soviet-issue bust of

The statue switch is one of many changes that have come to this city, once the showcase of Portuguese Africa. In early 1976, the Marxist Popular Movement for the Liberation of Angola extended its control to Huambo, largely sealing off An-gola's second-largest city to West-ern reporters for a decade.

The Portuguese had proudly called this city in Angola's central highlands Nova Lisboa — New Lisbon. Colonial administrators. eager to show off the benefits of five centuries of colonial rule, routinely steered foreign correspon-

High-rise apartment buildings sprang up in the 1960s, financed by a wealth of corn and coffee flowing from the surrounding plains. Shops and hotels filled with people who came to trade the muggy heat of the coast for the cool, dry air of the highlands. Freight cars loaded with copper and manganese from mines in Zambia and Zaire rumbled through town on the Benguela rail-road, then the principal land route into central Africa.

But undermining this prosperity was the reality that local African peasants were not sharing in the wealth that built the white sections of Nova Lishoa.

Statistics collected by Portuguese agronomists in 1971 showed that from 1968 to 1970, white landholdings in the province doubled. In the same period, land cultivated by Africans, who were being moved into strategic settlements, dropped by 36 percent. The same study found that gross income per African farm dropped by two-thirds from 1965 to 1970.

Portugal's dictatorship, which was dedicated to maintaining this status quo, fell in 1974. The next year, the colonial administrators departed, leaving three black nationalist armies to fight among themselves for control of the new

Within weeks, 90 percent of Angola's 350,000 Portuguese fled Angola, including the 18,000 who lived in Huambo. This was one of the largest white flights from postcolonial Africa. Eight years later, Huambo and the rest of Angola have yet to recover from this exo-

A decade ago, Huambo was envisioned as Angola's Brasilia. To-day, it looks like Angola's Phnom

The airport, where farmers' in midair. The shell of a half-com- the three Russians approached on crops, terrorized peasants a planes and tourist flights used to pleted high-rise stands across the the sidewalk. A young Russian intrying to strangle the city.

land, is now home to Soviet trans- street from a political banner urgport planes, helicopters and MiGreception area are welcomed by a billboard proclaiming, "Every citi-zen is — and should feel himself — a soldier!" the African neasant

A Romanian engineer standing near the runway said there were about 100 foreigners in the city. He ticked off on his fingers: "Russians, Czechs, Poles, Bulgarians and one Vietnamese woman.

Driving into town past the toppled Portuguese statues, one passes shuttered stores, their rows of shelves still bare after looting at independence. The Farmacia Santos is stripped clean of medicine. The Discoteca Nova York is boarded up. The Relojoaria Omega has no watches.

port planes, helicopters and MiG-21 fighters. Visitors walking to the solve the problems of the people." Squatters in a Mediterranean-style villa have repaired a smashed bay window with mud and sticks, the traditional building materials of

Toppled statues of the Portuguese colonial era lying in a field at Huambo, Angola.

The Hotel Almirante, with its faded honeymoon suites and Portuguese decor, is still open for business. But there is no running water and the elevator tends to wander between floors.

On a recent afternoon, a knot of African women and their emaciated children clustered down the block from the Almirante in front of an apartment building where Eastern bloc technicians live.

Tovarich, amigo," the women holding baskets of fruit called when

spected the offerings, consulted with his companions and bought two cassavas.

gold Can Rep.

Once the breadbasket of Angola, Huambo province now faces severe food shortages. Workers of the International Committee of the Red Cross, which has a delegation of 45 here, estimate that one-third of the province's population suffers from ... severe malnutrition.

The food shortages seem to be caused by guerrillas of the National Union for the Total Independence of Angola. The guerrillas draw support from the Ovimbundu tribe, which predominates in Huambo

In an interview, Huambo's military commissar, João Ernesto dos Santos, claimed that the South African-supported guerrillas burned crops, terrorized peasants and were

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Charles E. Guillaume (1861—1938), French metallurgist (b. Switzerland), Nobel prize in 1920 for

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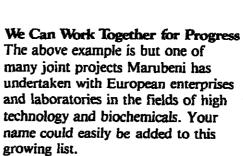
antigens. (1852-1919), German che Nobel prize in 1902 for



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Our support has taken this form: We linked IQ-BIO with a Japanese manufacturer of enzymes who wants to expand production in biochemicals. We ourselves are joining with this manufacturer to handle exclusive Japanese sales/distribution for the resulting three-way joint venture. And we will also make available additional R&D funding, as IQ-BIO requires, to further the development of disease-fighting

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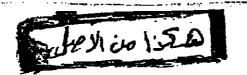
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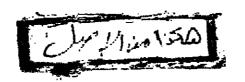
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ARTS/LEISURE



# Mr War Wound

# Dorothy Rostler undergoing eyeliner-tattoo surgery. Tattooing Can Replace Eye Makeup,

But Doctors Underline Possible Risks

By Deborah Blumenthal New York Times Service
New YORK — A new microsurgical technique — which some physicians describe as a possible health hazard - is being used to tattoo tiny dots of dark pigment permanently along the rims of the

eyelids to augment or replace eye liner. It is being offered to growing numbers of women in the offices of plastic surgeons, dermatological surgeons and ophthalmologists.
The procedure, costing \$500 to \$1,500, was demonstrated in New

York in recent weeks by Dr. Robert Fenzl for Dioptics Medical Products of Irvine, California. Developers of the process, which was introduced last summer in Cal-

ifornia, say it has been safely used on about 1,200 women. More than 1,000 were fee-paying customers who had the procedure performed by private physicians. The rest were 'i volunteers Prominent dermatologists and

ophthalmologists interviewed about the technique voiced concern over possible health hazards stemming from the implantation of foreign material in the delicate tissue around the eyes.

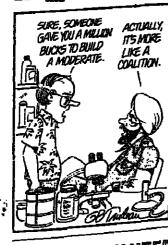
Dr. John F. Romano, a clinical instructor in dermatology at the New York Hospital-Cornell Medi-cal Center, said: "You can have a lot of foreign-body reactions to al-

#### DOONESBURY









actions that could cause the eyelid to swell. He said he was "very skeptical" about the procedure. About 400 physicians in the United States and Europe have been performing the procedure and

150 to 200 others have ordered the necessary instruments at a cost of \$2,500 each. At a news conference at the French American Clinic in Manhattan, visitors observed the procedure being performed and heard Dr. Jack Dodick, ophthalmologist in chief and surgeon director of Manhattan Eye, Ear and Throat, speak on behalf of the developers. Describing the procedure as safe

and efficacious, he said the proba-

bility of complications was "very.

very low.

One of two patients who volunteered to have the procedure performed before observers was kim Puntini, 22, a technical assistant in an ophthalmologist's office in Framingham, Massachusetts. "My eves are my best feature so why not have them enhanced?" she said. Nine days later, she said: "My eyes look great. I'm so glad I had it

The other volunteer was Dorothy Rostler, 42, of Wayland, Massachusetts, an administrative assistant to her husband, an ophthalmologist. In a small operating room, Rostler had her evelids most any sort of tattoo implant. cleansed and locally anesthetized. He also cited potential allergic rehigh-powered microscope, dispensed pigment from a handpiece resembling a white marking pen with a fine steel point that is wired to a power unit controlled by a foot switch. Using a cotton swab to hold the eyelid back, Fenzl implanted a line of tiny dots along the upper lash line. The needle is designed not to penetrate deeper than a milimeter. The procedure takes about

> Patients can choose brown, black or charcoal pigments ap-proved by the U. S. Food and Drug Adminsitration for use in foods,

> Over time the implanted pig-ment softens slightly, the develop-ers report. They acknowledge that aftereffects may include tender-ness, swelling and bruising that can last for up to two weeks. They say most women can return to work the day the procedure is performed.

Prime candidates for the procedure, its developers say, include women with oily skin, which causes makeup to smudge; those who wear contact lenses or bifocals; those who are allergic to most makeup; athletes who cannot wear makeup while they exercise or perform; Orientals and others whose evelids rub against the browbone, which can cause eye makeup to

quently; and those who have had injuries to or surgery on the eyelids. "If there is suspicion regarding reaction," the company says, the patient will be given an allergy test.

Those ineligible for the opera-

tion are pregnant women, those under 18 and anyone who is not sure she wants permanent eyeliner. The technique, under the trademark Accents Permanent Eyeliner, was formulated by Fenzl, an assistant professor of ophthalmology at the University of California at Irvine, and Diana Starr Langley. New Music Center Opens in St. Paul president of Dioptics Medical

Products, which produces the in-

Only ophthalmologists, plastic surgeons and dermatological surgeons who have completed a Dioporthalmologists, plastic ST. PAUL, Minnesota — The geoms who have completed a Dioporthalmologists, plastic ST. PAUL, Minnesota — The geoms who have completed a Dioporthalmologists, plastic ST. PAUL, Minnesota — The geometry of the property o tics training course can buy the Paul's dramatic attempt to draw equipment, a slightly different version of which is produced by Cooper Vision of Palo Alto, California.

Dr. Laurence R. LeWinn, who is director of the department of plastic surgery at the Geisinger Medical Center in Danville, Pennsylvania, and is unaffiliated with Dioptics, said he planned to buy the instruments because of patient interest. He added, however: "I don't give the procedure my unencumbered endorsement at this time because I always worry when you put in permanent pigment. What if somebody changes their mind and doesn't want it? Because of work on another, brightens and comple-I'm involved in using the laser, I suspect that it might be possible to ings surrounding Rice Park. remove it that way if that became

As for health implications, he said: "The history of tattooing is ufacturing family, who made a trip almost as old as civilization, and there is ample opportunity to ob- and "lost my temper" at having serve all types of pigments in the nothing to do. The Ordway family skin. Except for someone who is contributed \$15 million toward the skin. Except for someone who is sensitive to something, the effects are extremely benign."

Dr. Byron H. Demorest, president-elect of the American Acade-

my of Ophthalmology, said that, before contact lenses were available, metallic oxides were often used to darken the cornea — and create a pupil — in people who had an opaque or a white eye as a result of injury.

Among physicians expressing more concern. Dr. Irwin Siegel, a professor of research ophthalmolo-gy at New York University Medical Center, said: "There's been no work long term, no follow-up on this whatsoever. It's tattooing plain and simple, and tattooing has a long and illustrious history of prob-

Specialists recently had a chance to witness the procedure at the convention of the America Academy of Ophthalmology in San Francis-co. About half the observers were interested, Siegel recalled, and the rest, he said, were horrified

PARIS — It is possible to pace the terrace of the Café Flore three times looking for him before you spot Leonard Cohen at a table. You will not see him at sneak previews, gallery openings or chic cocktail parties on the islands of Manhattan, Ibiza, Barbados or Hydra. He has been living in a hotel on 44th Street in New York, in an

anonymous neighborhood. Some star — the sort about whom it is said: "Whatever hap-

By Michael Zwerin

pened to . . . ?"

He has just had a book of poetry published; a movie he wrote is being edited; he has made two videos and he has released a new record, "Various Positions." True, these have come after five years of si-

lence, but it's always been "one word at a time" for Cohen. "My inspiration is just the energy to apply myself, to sit down and do it. I usually pick up my guitar with breakfast but I'm not like Thomas Wolfe writing 40,000 words on top of the refrigerator. There is always a certain urgency to shoot your mouth off, to show off, but I've never operated from a position of luxury. A word, a line, one chord change, then months polishing a verse. Continue, that's all I can do. Baudelaire says it's a matter of self-respect — work is one of the few places where it can still be located. One does have the suspi-

you've blackened a few pages." The hotel has been less a home than a base to be close to his two children. He really has not been

cion of being perhaps lazy, but at

the end of a certain period you see

By Bernard Holland

the first time with a performance of

"Animalen," by the Swedish com-

The \$45-million Ordway, which

houses two theaters, overlooks the

Mississippi River on one side and,

ment the more formal public build-

A major force in the building of

the center was Sally Ordway Irvine

of the Minnesota Mining and Man-

to central St. Paul a few years ago

project. The campaign to pay for

Its two theaters will house the city's principal musical entities

which have wandered around St.

Paul over the years, occupying a succession of less than satisfactory halls. The Ordway is a privately

owned, nonprofit corporation and

will be presenting shows and con-

certs of its own. One frequent visitor will be the Minnesota Orches-

tra, from Minneapolis across the

The Ordway Music Theater, de-

signed by St. Paul's Benjamin

Thompson, is built in brick, stone,

copper and glass. Within are an 1,800-seat concert and opera hall and a smaller theater for 300.

Acoustically, the main hall begins with the traditional materials

wood and plaster - but its ac-

oustician, R. Lawrence Kirke-gaard, has installed mechanical

ways to reconfigure these elements,

much as one would fiddle with the

dials of an amplifier at home. To

the rest of Ordway continues.

poser Lars Johan Werle.

control reverberation and enhance

clarity, sound-absorbing panels

as an alternative orchestra pit.

"Animalen" provided fragmen-tary evidence of how well all this

works. The instrumental sound was

well-defined, and, heard, from two

separate listening places, the voices

seemed brightly projected and

cert tour of Europe, where a singing tion and sales time and money poet can still have a public, Except spent on me could yield a much



Leonard Cohen: "Continue, that's all I can do."

агим гасе,

stereotypes.

"I must recognize that promo-

living anywhere, though "it's coming to an end. I feel it's time to dig
in somewhere."

Not, however, before a 40-con
Not, however, before a 40-con
"I must recognize that promoin living anywhere, though "it's comtime Montreal, appears to have evaporated.

He speaks the way he sings, like a 33-rpm record slowing to 16. It can wind down into a dirge, but the intelligent energy behind the slow

pace has hypnotic power.
"I think of myself as a reporter looking at a landscape. I try not to complain too much. I try to be objective. I don't think you can maintain that self-respect unless there's an element of objectivity."

Objective? Leonard Cohen? I know that you have suffered lad but

suffer this awhile, Whatever makes a soldier sad will make a killer smile.

From "Various Positions" "I'd describe that as hopeful."

Hopeful?
"Yes. Or how about this? Dance me to the children who are asking to be born,

Dance me through the curtains that our kisses have outworn. Raise a tent of shelter now though every thread is torn,

Dance me to the end of love. "The lines are free to assume various positions, which is what I've called the album, but anybody

who lifts their voice in song has to be hopeful. It might be easier to buy that definition if you are not sitting across a table from him. All the lines on his face are down, and it drops rather than spreads into the occasional smile. The objective hope is being mumbled at a level

barely above the background lunchtime café hum. He must repeat often to be understood. "Disraeli said the third part of your life is spent in regret. I don't think so. I've had a pretty clear idea of my road since I was a kid. I tried

to say it in a song" (also from "Various Positions"): I did my best, it wasn't much,

I couldn't feel so I tried to touch, I've told the truth. I didn't come to fool you.

After 5 Silent Years, Songs From Leonard Cohen

I'll stand before the Lord of Song With nothing on my tongue but Hal-lehijah. Although he maintains that the Bible begins by saying that chaos and destruction were the two elements that formed the world, his hope and objectivity spring from a basic religious faith. It might be described as Hassidic, but he spends a certain amount of time each year with a guru in New Mexi-

co. His new book of poetry is a collection of "contemporary psaims" titled "Book of Mercy." "I found myself in a certain place where I could not speak. The only

thing I could do was address the source of mercy, to forgive others, to forgive myself."
So it was "a relief not to have to represent myself" writing the lyrics for a pop-opera film called "The Merry-Go-Man" in collaboration with another Canadian, Lewis Furey, who wrote the music and directed it. "I wrote the lyrics quickly because the story was out-

lined already and I didn't have to sing them. What a pleasure not to have to struggle with original meaning His first video was a standard pop-music color short of "Dance Me to the End Of Love." A friend, the French photographer Dominique Isserman, directed a 30-minute film on the same subject in black and white. "It's very quiet, no flashy effects. It won a Golden Rose at the Montreux World TV Festival in the 'light entertainment'

tertainment. Leonard Cohen: Mannheim, West Germany, Jan. 31; Munster, Feb. 1; Wiesbaden, Feb. 2; Berlin, Feb. 3; Hamburg, Feb. 4: Helsinki, Feb. 7; Stockholm, Feb. 8; Copenhagen, Feb. 9; tour continues in the Netherlands, Switzerland, France, Spain, Britain, Belgium, Ireland, Austria went wrong, and Italy, ending March 19 in Rome.

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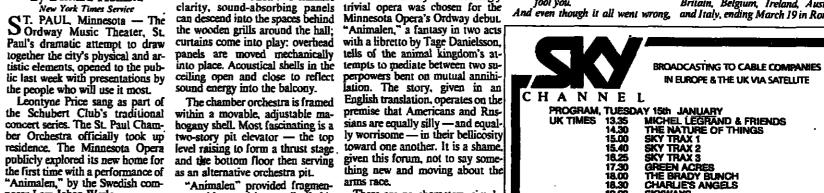
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scribe my work that way. It's re-

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Less clear is why this exceedingly

There are no characters, simply

This opera, now six years old,

has had about 500 performances,

mostly in Scandinavia and West

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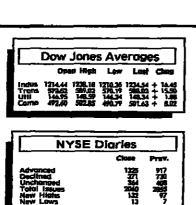
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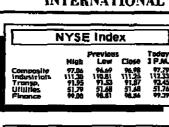
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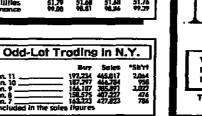
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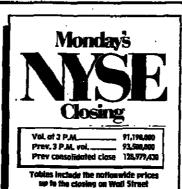
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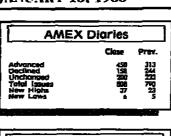








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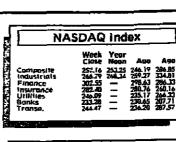
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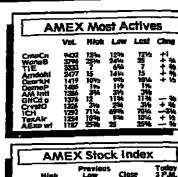
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NYSE Rally Seen Resuming

NEW YORK - Prices on the New York Stock Exchange pushed higher late Monday, resuming a raily that was interrupted late last week for some profit-taking.

The Dow Jones industrial average was up 8.50 to 1,226.59 an hour before the close. The blue-chip index dipped a bit Friday but had a

gain of 33.13 for all of last week Advances led declines by more than 2 to 1. Volume was about 91.2 million shares, down from 93.5 million in the same period Friday.

Although prices in tables on these pages are from the 4 P.M. close in New York, for time reasons this article is based on the market at 3

Prices were higher in active trading of Ameri-

an Stock Exchange issues.

Analysts said the stock market would probably test the 1,240-1,250 area on the Dow index. Alfred Goldman of A.G. Edwards & Sons, St. onis, found the marker's performance impressive. He said issues such as IBM, General Elec-tric and General Motors were "attracting aggressive buying and that means the institutions have started to spend money.

He noted that the margin of advancing issues over declines and a rise in the Dow transportation index were "confirming a better tone" in

the market.

"The improved momentum has given the stock market a good shot at breaking 1,245 and revisting 1,287" on the Dow index in the aext few weeks, Mr. Goldman said Despite the short-term optimism, he said,

institutions were still low on cash and the mar-

쇎뱮

Markets in Merger Talks

NEW YORK — The New York Stock Exchange is holding discussions with the Pacific Stock Exchange on a possible merger, Richard Torrenzano, vice president of the NYSE, said on Monday.

The announce NYSE has been studying the possibility of 24-hour trading, in order to accommodate the increasingly international nature of the U.S. markets. Sources say the NYSE, which runs from 10 A.M. to 4 P.M., may expand trading by an hour this year. The Pacific Exchange trading floors in Los Angeles and San Francisco remain open until 4:30 P.M. local time.

ket might have trouble going beyond the 1,287

The federal funds rate was 81/2 percent at midday, unchanged from Friday. Some news reports said economists believe interest rates will head upward during 1985 as business activity improves. American Express was near the top of the

active list and off a fraction. A block of 3,237,400 shares crossed at 37%.

AT&T was unchanged at 20½ following blocks of 600,000 shares at 2014 and 210,000 at

IBM was higher at midday on heavy volume Other gainers in the technology group included Digital Equipment, Texas Instruments, Motor-ola, Burroughs and Advanced Micro Devices.

23% + % 44% +2% 23% +1 83% +2% 18 - % 23% - % 

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TUESDAY, JANUARY 15, 1985

# Herald Eribune BUSINESS/FINANCE

**U.S. Stocks** Report, Page 8

#### **FUTURES AND OPTIONS**

# Philadelphia Hopes Option OPPORTUNITION OF THE PROPERTY On Value Line Is a Winner

By H.J. MAIDENBERG

New York Times Service

EW YORK — One odd thing about the booming market in stock-index futures is that the exchange that introduced them in February 1982, the Kansas City Board of Trade, has been less successful in attracting traders than all the other exchanges that followed its example. The Kansas City exchange trades the Value Line Index futures. Some options-market specialists attribute this to the absence of a supporting equities market in Kansas City. Others say the Value Line contracts, which are not easily spread against any of the other index futures, need the support of an options market to

First-day volume

its president says.

may reflect euphoria,

in Philadelphia

stimulate business. Last Friday, the Philadelphia Stock Exchange moved to address these problems by opening a market in options based on Value Line futures. The first-day volume was 17,100 options.

"Of course, our volume today may reflect the usual opening-day euphoria, but I

think we will soon overtake our nearest competitor, the New

York Futures Exchange." said Nicolas A. Giordano, president of the 195-year-old Philadelphia exchange.

The New York Futures Exchange traded 7.921 options last Friday in the composite index of its parent organization, the New York Stock Exchange By Comparison, the options volume of the York Stock Exchange. By comparison, the options volume of the American Stock Exchange's Major Market Index was 13,741. Figures for the most active index options, the Standard & Poor's 100, were unavailable because of computer trouble at the Chicago Board Options Exchange last Friday. Normally the Chicago exchange handles several hundred thousand index-

Michael Braude, president of the Kansas City exchange, was also excited by Philadelphia's opening-day volume.

"What also impresses me is the youth of the floor crowd here," he said. "These young men and women grew up with options, and no one has to convince them that options are the market."

ASICALLY, an option is the right, not the obligation, to buy — "cail" — or sell — "put" — the underlying goods at a specified price during a fixed period of time. The option's premium, or cost, depends mostly on the value of the underlying goods and the time remaining before the contract expires.

Stock-index options allow the buyer to speculate on the direction of the stock markets, or to hedge a stock portfolio.

In the case of the Value Line options traded on the Philadelphia Stock Exchange, the "goods" are an index of 1,693 stocks traded on various exchanges

traded on various exchanges. The contract is settled in cash. Each option contract represents \$100, the index multiplier, times the index value. Thus an index value of 180.42 means the contract is worth \$18,042.

Because an option is only the right to buy or sell this "basket of value." the investor pays only a fraction of the value in the form of a premium. As for the option premiums, they are determined by the continuous open-auction method common to all options

In some respects, the Value Line Index is similar to the Big Board's equally broad-based composite average of about 1,500

But the Value Line Index contains a larger number of the actively traded "secondary stocks," while the Big Board's composite index has many issues, both blue chips and other stocks that are traded infrequently.

By comparison, the Amex's 20-share Major Market Index correlates closely to the popular Dow Jones industrial average of 30 blue chips. The S&P 500 consists almost entirely of blue chips. (Continued on Page 11, Col. 3)

**Currency Rates** 

Late interbank rates on Jan. 14, excluding fees. Official fixings for Amsterdam, Brussels, Frankfurt, Milan, Paris. New York rates at

	•	•	D.M.	P.F.	II.L	Gldr.	8.F.	S.F.	Yen
		_	112.94	36.84			5441 *	134.56 *	146.72 v
Amsterdom		4.034				17.731	2241	23.8545	
Br <del>ossol</del> s(a)	2.30	71.5575	20.021	6.5335	3.259				
Freektert	1.1647	3.571	_	<u> 12.45 °</u>	1.629 ×	88.56 *	4995 *	119.18 *	
London (b)	1.1115	_	3.5453	10.2529	2.175.00	4.0035	70.975	29713	243,86
Allian	1.944.70	2.194.70	614.15	200.36	_	<b>544.00</b>	30.684	731.45	7.638
NewYork(c)		1.112	1.1955	9,785	1,968.00	3.61	64.23	2.685	255.45
Paris	9,204	10.955	10646	_	4.9895 x	2,7145	15.311 -	3,4505	3.81 •
			80.31	24.22	13.09	71.17	401.57 *	95.75	_
Tokyo	254,575	282.35				74.13	421 *		1.D466 *
Zurich	26745	2,983	81.875	27.405	0.1363				
t ECU -	0.7025	0.6225	2.2232	4.8142	1,366.36	2511	44.5155	1.5668	
1 SDR	0,975251	0.864814	3,05638	9.46384	N.Q.	3,4865	61,8114	2.5914	248.348
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63.31 1.3238 11.35 6.645 127.00

(a) Commercial franc (b) Amounts needed to b Units of 160 (x) Units of 1,000 (y) Units of 10,000

**Interest Rates Eurocurrency Deposits** 

| Swiss | Stering | France | Stering | France | Stering Rates applicable to interbank deposits of \$1 million minimum (or equ

onicable to interpent deposits of \$1 militari manufacture. Separateri, Margon Guaranty (deliar. DM, SF, Pound. FF): Llavás Bank (ECU): Ciliban

è	Asian Dollar Rates			é mos.	Jan. 14 1 yeur
	1 mo. E % 8 %	2 mas. 8 % - 8 %	3 (206- g % - 5 %	876 - 9	956 - 954
	Source: Reuters.				

**Key Money Rates** Close Prev. Britain 12 104 114 94 114 10 9/32 124 10 United States Bank Base Rate Call Money 91-day Treasury Bill Prime Rate Broker Loon Rote Japan Comm. Paper, 30-179 days 1-month Treasury Bills Discount Rate Call Money 60-day Interbat 8.03 7.70 7.82 -month Treasury Bills CD's 30-57 days CD's 60-87 days

**Gold Prices** West Germany Combord Rale Overnight Rale AJAL P.M. Ch'98 One Month Inte 298.75 301.25 — 2.10 301.60 — — 1.85 301.81 301.42 — 4.00 301.15 299.50 — 4.75 301.25 299.50 — 5.25 — 302.90 + 1.70 Hong Kong Paris (125 Hile) France ZULKŢ 1015 1015 103m 1015 1015 10 7/16 Call Maney

Sources - Reuters, Commertbank, Credit L.

#### Creditors of Laker Airways. which pioneered cut-rate trans-At-lantic fares, have filed suit against British Airways and 11 other Euro-pean and U.S. airlines. The suit charges that the airlines conspired to bankrupt Laker Airways by manipulating prices and pressuring lenders to shut the carrier down. Sir Freddie's airline went bankrupt in February 1982, owing 260 million pounds, then the equivalent of \$480 million. "My position is the same now that it has always been. Laker Airways was driven out of business by a criminal conspiracy," Sir Freddie said, "and I want my airline back." Sir Freddie, who hoped to get \$33.6 million of the damage money to start his airline anew, said he was

Accord

Elusive in

**Laker Suit** 

But Talks Useful,

Sir Freddie Says

MIAMI — Talks between credi-tors of bankrupt Laker Airways and representatives of several West European and U.S. airlines failed

to reach an agreement to drop a

\$997-million antitrust suit, Sir

cussion, but there's no agreement." Sir Freddie said Sunday from the Sonesta Beach Hotel in Key Bis-

"We've had a constructive dis-

Freddie Laker says.

cavne, Florida,

U.S. District Court. "We're coming to trial in July or August," he said. In London, the Mail on Sunday newspaper reported that British Airways had offered creditors of

on his way to Washington, D.C., to

give depositions" in the case in

Laker Airways about \$84 million in an effort to end the suit. A source close to lawyers for the 12 airlines said they had offered Sir Freddie and his creditors between \$40 million and \$50 million, with a personal offer to Sir Freddie of between \$2 million and \$4 million,

Reuters reported from London.] The Mail on Sunday said lawyers for British Airways, acting on behalf of the airlines, made the takeit-or-leave it offer in Florida on

community and government whether the sale should be negoti- ture. Contacted about the newspaper report, a spokesman for British Airways said, "All parties are anx-SOUTCES. could be made this week, some of complished through a public stock ious to reach a settlement."

The Mail on Sunday said British the sources, all of whom declined to offering, as advocated by Conrail Airways was trying to settle the be identified, said. The sources antitrust suit to prevent delays in agreed that the announcement the Conservative government's would come no later than the end

# Oil Firms' Free Spending May End

Chevron\*

Texaco\*

Mobil Corporation \*

Atlantic Richfield

Phillips Petroleum

Exxon Corporation

Sun Company

Leverage at Major Oil Companies:

Major integrated oil companies ranked by percentage of long-term debt to capitalization (in millione of dollars) as of Sept. 30, 1984

\$14,583

13,776

14,675

10.482

5,442

5,585

28,929

\$12,794

11,495

10,966

2,320

1,989

1,083

4,431

Source: Standard & Poor's Corporation

(L-T Debt se Percent of Total Capital

46.7%

45.4%

42.6%

31.7%

29.9%

23.0%

16.2%

13.3%

How Much is Too Little?

#### **Boone Pickens** Causes Renewed **Fiscal Discipline**

By Michael Blumstein New York Times Service

NEW YORK — On the whole, the American oil industry has been able to operate relatively loosely for a decade. Oil prices jumped tenfold during the period, and company coffers

But, aside from some increased dividends, much of the money was not returned to stockholders. Instead, it was poured into disappointing diver-sification efforts, as well as drilling projects that had limited re-

This free-spending era, however, may now be ending, largely because of the efforts of T. Boone Pickens, the so-called cor-

porate raider from Texas who is chairman of Mesa Petroleum Co. Analysts say the changes he is causing in the oil industry should bring long-overdue financial discipline to the surviving compa-

The analysts reason that with companies going more heavily into debt, they will have to make more prudent investments.

"In many ways, Boone Pickens is a breath of fresh air," said James Scott, a professor of finance at the Columbia Business School. "Basically, what he's saying is you ought to look at these companies from the point of view of shareholders. It's kind of straight textbook finance."

By Reginald Stuart New York Times Service

Transportation Department is ex-

pected to name Norfolk Southern

Corp. as its choice to buy the gov-

ernment's 85 percent interest in

Consolidated Rail Corp., accord-

ing to railroad industry, investment

WASHINGTON — The U.S.

The Pickens assault on the oil about huge debt burdens that might weaken the surviving comindustry started more than two years ago.

He would threaten to buy a company whose stock was de-

spending by oil companies - on someone else — Cities Service diversification efforts that do not Co. went to Occidental Petropay off, and on unprofitable exploration, relining and market-

leum Corp., Superior Oil Co. to Mobil Corp., and Gulf Oil Corp. to Chevron Corp., to name a few. Only Phillips Petroleum Co. ing operations.

If less money is poured into wasteful ventures, they argue, has managed to stay indepen-dent after a foray by Pickens-led profits should rise, and stock prices should follow - even to group, but at a price. Last month, it agreed to repurchase the point where the companies would no longer be attractive to takeover specialists such as Mr. 60 percent of its publicly held

As some oil companies bought Some financial experts also arothers, shareholders of the acgue that heavier borrowing may quired companies received large premiums for their shares. The be an appropriate financial strategy for the industry, which has generally had a fairly light debt load. Debt is considered a less acquiring companies borrowed heavily to pay for their purcostly means of financing than

Norfolk Is Seen as U.S. Choice to Buy Conrail

While this has raised worries "Typically, the oil industry has not been highly leveraged, said Robert B. Stobaugh, a pro-fessor at Harvard Business (Continued on Page 11, Col. 3)

must be approved by Congress. for the sale of Conrail. Each bidder The already heated debate there is has offered about \$1.2 billion for

likely to be intensified by the an- the railroad and has agreed to com-

Among the issues in dispute is secure the railroad's long-term fu-

ated, as the Transportation De- Conrail, which holds about \$800

has been negotiating separately tation Department have repeatedly

# Norway's Statoil Said to Abandon Fixed Oil Price

OSLO — Statoil, the Norwegian state oil company, decided Monday to abandon fixed prices for its North Sea crude oil and to allow prices to be set by secret agree-ments with its customers that will be closer to cheaper spot market rates, a high company source said. North Sea prices have been over-

priced at around \$29 a barrel in face of weak world demand and analysts said Norway's decision to lower prices has intensified pressure on OPEC to cut its benchmark price of \$29 a barrel.

"We seek a price that better reflects market prices and will negotiate with our customers" for the period covering December and January, a Statoil source said. He indicated the system may be continued.

The report of the Statoil decision had no immediate effect on the European spot market, which re-mained firm because of icy weather, Reuters reported from Rotterdam, quoting traders. Britain's Brent crude negotiated Monday af-ternoon between \$27.05 and \$27.10 a barrel for cargoes loading next month, up 15 cents from Friday.]

There was no immediate comment from British National Oil Corp., which has been considering pegging its North Sea prices to the spot market

The Norwegian move followed prolonged uncertainty over prices in the oil market, particularly crude oil sales for future delivery, the Statoil source said.

Others said that Norfolk South-

ern had indicated to the Transpor-

needed to meet possible objections

about competition from the Justice

The Northeast Rail Services

familiar with negotiations with all

Department

of the act," he said.

A Statoil official denied that the action means Norway's North Sea oil price would now follow the spot

"We are adjusting to the world market price." the source said. "We don't want to be market leaders. If we announced a price, it might now be seen as an official North Sea

"As Britain has not set an official contract price, Statoil feels unable to do so," Norway's oil minister, Kaare Kristiansen, said.

The Organization of Petroleum Exporting Countries repeatedly has threatened to start a price war if Norway and Britain cut their North Sea crude prices.

Although Norway accounts for only 1.1 percent of world oil pro-duction, it grabbed the spotlight in October when it reduced its official North Sea crude prices.

# Japan Had Trade-Surplus High in '84

Compiled by Our Staff From Dispatches TOKYO - Japan reported Monday that its trade surplus in 1984 was a record \$33.679 billion,

based on preliminary figures. The surplus, up from \$20.53 bil-lion in 1983, was led by exports of autos, electronics and steel to the United States, the Finance Ministry reported.

It reported trade surpluses of \$33.11 billion with the United States and of \$10.08 billion with

the European Community.
Exports rose 15.8 percent from 1983, while imports climbed 8 percent, the ministry reported.
Exports totaled \$170.13 billion and imports 136.45 billion, it said.

For December 1984, the ministry reported a record monthly surplus of \$4.63 billion, based on preliminary customs-clearance figures.

The December figure was up from \$2.88 billion in December 1983, and from the previous of 1981 provided for the sale of monthly record of \$4.49 billion set Conrail, and a Wall Street source in September 1984, it said. In trade with the United States

of the bidders said Norfolk Souththe ministry reported that exports ern's flexibility on the antitrust is- for the year totaled \$59.94 billion, a sue was significant. "If they can 40-percent increase from 1983. solve the antitrust problem, it Imports were \$26.83 billion, an seems on paper to be the one bid-8.9-percent increase over 1983, it der that satisfies the requirements

Exports to the United States rep-The Justice Department review, resented 35.2 percent of Japan's which involved a far-reaching sur-vey of Conrail customers and railworldwide exports in 1984, up from 29.1 percent in 1983, it said. U.S. Embassy officials in Tokyo, roads that interconnect with Con-

basing their calculations on some rail, is considered the "largest of the loose ends," according to a sewhat different data, calculated that nior Transportation Department (Continued on Page 13, Col. 7)

> MANAGEMENT (BESEY) LIMITED 14 MUCASTER STREET, ST. HELER, 1858Y, C.1 TB.; 053427351 TELER, 4192063 FOR OTHER F & C FUNDS, SEE INTERNATIONAL FUNDS LIST

# U.S. Banks Report Rise in Earnings

Manhattan Corp., the banks re-

quarter earnings were up 16 percent but 1984 earnings were 53 percent lower, reflecting huge unexpected loan charge-offs in the

Morgan, whose principal subsidiary, Morgan Guaranty Trust, is the fifth-largest U.S. bank, earned

\$349 million of Morgan's Argen-tine public sector debt current through Oct. 31, and enabled it to restore \$113 million of the loans to accrual status. This was partly offset by certain Peru loans put into ceived in the fourth quarter. nonaccrual because of overdue in-

crease was primarily the result of a the final quarter was in line with \$117-million increase in noninterest (trading and fees) income in 1984 and to a sharp decline in loanloss provision.

est payment varied among banks depending on maturities of loans held by each bank.

Chase, holding company for the third-largest U.S. bank, earned \$120 million or \$2.56 a share in the period of 1983.

For 1984, Morgan earned \$537.6 million or \$6.07 a share, up 16.9 percent from \$460 million or \$5.26 a share in 1983. The 1984 per share \$10.96 a share in 1983 and would have been \$20 million lower without favorable impact of midyear consolidations of Nederlandse Crediethank NV and Lincoln First Banks Inc.

But this was offset by an adverse impact on 1984 earnings of approximately \$19 million from nonaccrual Argentine loans, partly offset by about \$6 million in interest re-

First Chicago Corp. earned \$55.5 million or \$1.03 a share in the final

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NEW YORK — Argentina's payment of \$850 million in overdue interest contributed only slightly to

Without the Argentine payment, 1984 period, up from \$47.9 million or \$1 a share a year earlier. For the would have been reduced by \$28.8 year, earnings plunged to \$86.4 million and net income would have million or \$1.19 a share from

a 32.8-percent fourth-quarter earnings gain by J.P. Morgan & Co. and a 9.1-percent increase for Chase ment Morgan's 1984 earnings in-First Chicago Corp.'s fourth-

\$167.5 million or \$1.90 a share in the fourth quarter of 1984, up from fourth quarter, up from \$110 mil-\$126.1 million or \$1.44 a share in lion or \$2.78 a share in the final \$126.1 million or \$1.44 a share in the 1983 quarter.

figure reflects a 2-for-1 stock split Dec. 12, 1984.

Morgan said payment by Argentina on Dec. 28 of a total \$850 million in overdue interest brought

Announcement of the choice partment has recommended, or ac-million cash, was organized by the

management and some members of

The Transportation Department

Chairman Barry F. Sullivan said predictions that the problems arising from a loan loss increase forced by the federal regulators in the third quarter were temporary. "We The impact of Argentina's inter- are confident that a strong foundation has been built for improved

First Chicago's sudden an-nouncement of \$279 million in ex-

\$183.5 million or \$3.92 a share in

financial performance for 1985," he said.

traordinary loan losses in the third quarter had stunned the markets.

Southern's buying Conrail and a report on tax-policy implications from the Treasury Department. Also, employees of Conrail, who own 15 percent of the carrier, have not completed negotiations with Norfolk Southern on details of its offer to employees, according to

Brian Freeman, investment counselor to the unionized Conrail employees.
"It's my view that the Norfolk Southern will offer all that my clients could ask for, but that doesn't

The sale of the railroad, known since last summer with Norfolk matches or betters those of the two as Conrail, a major freight hauler in Southern, Alleghany Corp. and J. other bidders is one of the signals the Northeast and Middle West, Willard Marriott Jr., the hotelier, that appears to point to Norfolk

nouncement of the department's ply with a number of conditions recommendation.

The following the department that it would make whatever concessions may be

government in 1975 to take over the rail service of the bankrupt

Penn Central Railroad and six oth-

Senior officials of the Transpor-

said in recent days that a bidder

had not yet been chosen. They said that such a decision would hinge on

the findings of reports from the

Justice Department on the compet-

itive implications of Norfolk

er bankrupt or failing carriers.

mean they'll accept it." Mr. Free-Mr. Freeman's indication that Norfolk Southern may be willing to ued to receive a cool reception from make an offer to the Conrail non-

Conrail management, has contin-

the reports. Representatives of Alleghany and Marriott have echoed Transportation Department officials in saying that they have not been officially ruled out. A proposal for a public stock sale of Conrail, being promoted by

the Transportation Department

Norfolk Southern officials have

FOREIGN & COLONIAL RESERVE ASSET FUND repeatedly refused to comment on A: US DOLLAR CASH
B: MULTICURIENCY CASH
C: DOLLAR BONDS
D: MULTICURIENCY BONDS
E: STERLING ASSETS
FOREON & COLONIAL
MANAGEMENT (JESSET) LIMIT

\$1,000,000,000

management employees that and railroad employees.

# **AMERICAN SAVINGS**

STOCKTON, CALIFORNIA

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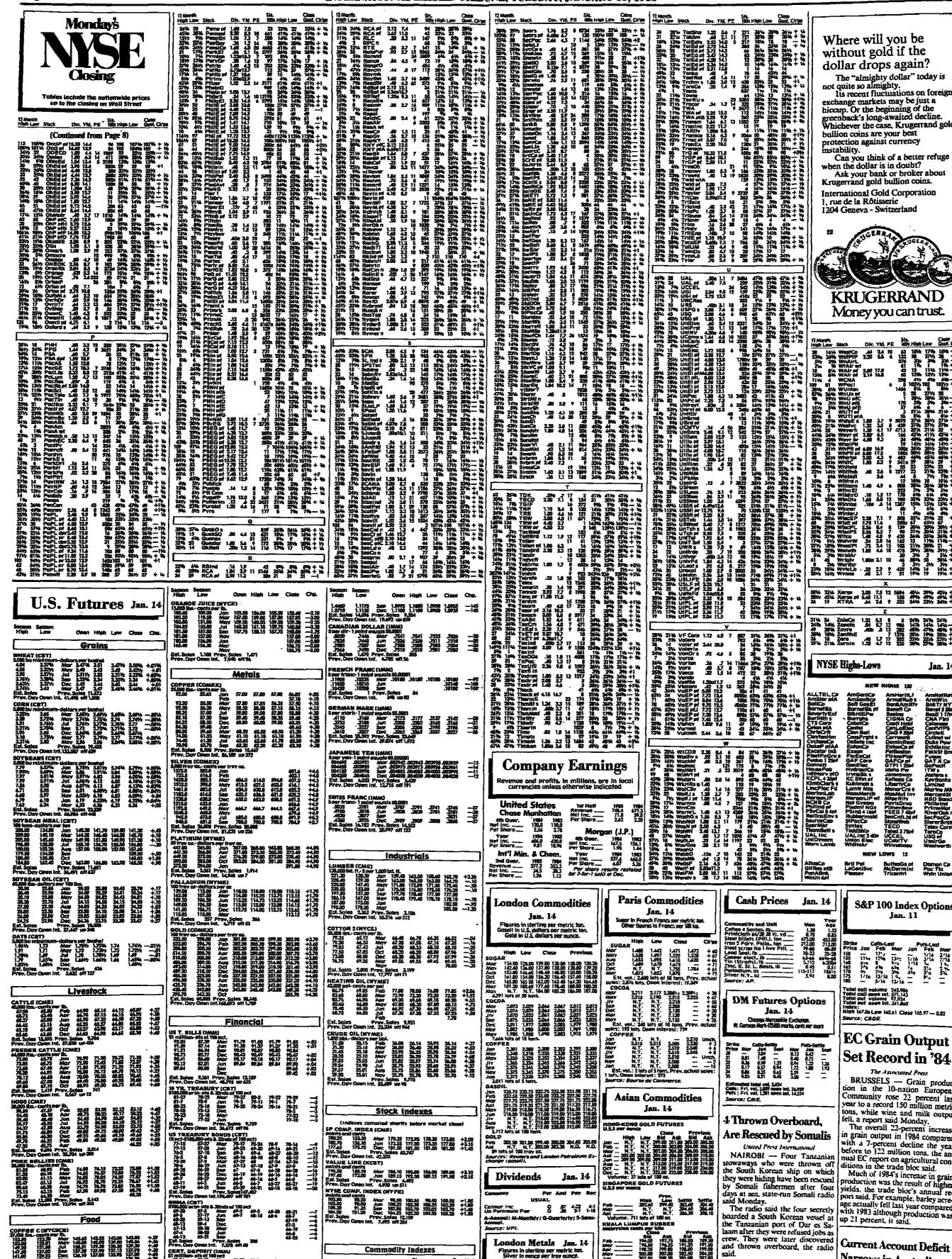
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WESS ROUNDUP

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Its recent fluctuations on foreign exchange markets may be just a hiccup. Or the beginning of the greenback's long-awaited decline. Whichever the case, Krugerrand gold bullion coins are your best

when the dollar is in doubt? Ask your bank or broker about Krugerrand gold bullion coins. International Gold Corporation



Jan. 14

Curaret with Dute Pow Echila Inc. Fall NSt Bric Fall NSt Bric Fusion GATX Car GaPacif ITW's Jostons & KeyBanks Limited Market Make Make Make Make Make Make Telex Car Telex Car Telex Car Telex Car Usal DominResc EofonCo pf FatBoston FilhowPas GAFCo pf GTF1 25pf Idano Pw Jamesway Kellogo Co UberlyCo MonorCre 5 MosAlul Inv Mige Rith Pay Is Drus Piber 6 Very SeatCrit.Id p Toled 3 75pf UCCELTV NEW LOWS 13

E TENTO CAT C POST - LES C Market - L C M

*:* :

**S&P 100 Index Options** Jan. 11

Puts-Las 1 Feb 1/14 6 J/16 6 J/16 7 J/16 7 J/16 7 J/16 9 J/16 9 J/16 9 J/16 9 J/16 Mer 3/16 7/16 1 % 2 %

# Set Record in '84.

The Associated Press

BRUSSELS — Grain production in the 10-nation European Community rose 22 percent last year to a record 150 million metric tons, while wine and milk output fell, a report said Monday.

The overall 22-percent increase in grain output in 1984 compared with a 7-percent decline the year before to 122 million tons, the annual EC report on agricultural conditions in the trade bloc said.

Much of 1984's increase in grain production was the result of higher yields, the trade bloc's annual report said. For example, barley acreage actually fell last year compared with 1983 although production was

with 1983 although production was up 21 percent, it said.

#### **Current Account Deficit** Narrows in Australia

Kuwait, Soviet Reach TV Pact

The Associated Press

The Associated Press

KUWAIT — Kuwait and the

Soviet Union signed Monday a
protocol for exchange of television
and radio programs in 1985 and
1986, an official announcement
said. The agreement provides for
the exchange of television decumentaries and films, and information about the political, economic.

tion about the political, economic, social, cultural and sports activities

of the two countries.

The Associated Press

SYDNEY — Australia's current account deficit narrowed in December to 517 million Australian dollars (\$424 million). Irom 787 million Australian dollars in November, the Australian Bureau of Statistics said Monday. December's deficit widened from a year earlier, when it stood at 298 million Australian dollars.

The current account measures

The current account measures trade in merchandise and also in services such as banking insurance and tourism.

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London Metals 🛭 Jan. 14

Figures in sterling per metric ton. Silver in pence per troy ounce.

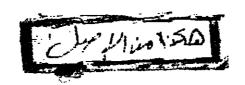
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Dividends

s War Wounds



# Royal Bank of Scotland, Charter Agree on Sale

LONDON - Royal Bank of Scotland PLC has agreed to buy Charterhouse Group PLC for £151.6 million (about \$169 million) from Charterhouse J. Rothschild PLC, the two companies announced in a joint statement Mon-

The Charterhouse Group consists mainly of the London-based merchant bank. Charterhouse Japhet PLC, and several development-capital companies.

#### **Soviet Gets Credit** Of \$100 Million

FRANKFURT - The Soviet Union's International Bank for Economic Cooperation signed in Frankfurt on Monday for a \$100million, seven-year Eurocredit. lead manager Commerzbank AG

It said the credit, with a grace period of four years, would be used to improve trade relations between Western countries and Comecon, the Soviet-bloc trading group.

Commercial banking sources said the credit carries a margin of 1/2 point above the London interbank offered rate for the first four years and % point over for the remaining three. No U.S. bank took part in the 10-bank group.

#### Sales of U.S.-Built Trucks Up The Associated Press

DETROIT - Sales of U.S.-built trucks rose 30.6 percent in 1984 to 3,537,515 units from 2,709,389 units in 1983, the Motor Vehicle Manufacturers Association said Monday. But December sales were down 0.1 percent to 263,243 units 1983, the association reported.

4-month-old merger that created

CJR, a financial-services empire headed by Jacob Rothschild, was formed in November 1983 with the merger of Mr. Rothschild's investment-trust business and Charterhouse Group.

To help finance its purchase. Royal Bank said it hoped to raise £115 million through a rights issue of 56.7 million shares.

Current shareholders would be able to purchase one new share for every four they own at 210 pence

Royal Bank shares, suspended last week, resumed trading at 234

CJR shares, also suspended last week, were last quoted Monday at 109 pence per share.

CJR said it was proposing a name change to J. Rothschild Holdings PLC, in keeping with a request from Royal Bank to drop the Charterhouse name. With its newly acquired cash.

CJR said Monday that it plans to buy up to 100 million of its own shares, or 22.9 percent of its share capital. It plans an initial purchase of up to 5 percent on the stock

CJR officials have said the company had decided that it wanted to free up its capital to concentrate on its specialty of short-term securities trading and financings for leveraged buyouts.

In such transactions, a group of managers and outsiders borrow money to buy a company, using its assets as collateral.

CJR owns investment management units, 50 percent of the New York investment bank of L.F. Rothschild, Unterberger, Towbin, 29.9 percent of a small London stockbrokerage, minor interests in leasing and factoring and several small industrial concerns.

The purchase represents a major from 263,494 units in December expansion for the Royal Bank of Scotland.

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INTERNATIONAL FUNDS **Quotations Supplied by Funds Listed** 

14 January 1985

#### Nestlé Excerises **Option for Hills**

VEVEY. Switzerland — Nes-tle SA, the large Swiss food company, said on Monday that it has exercized its option to purchase Hills Brothers Coffee Inc. of San Francisco, a major producer of roast and ground

Company officials declined to say what price had been paid for control of Hills Bros., whose sales in 1983 totaled about \$350 million, according to a Nestle statement.

Nestle said Hills Brothers has about 1,000 employees in four manufacturing facilities in San Francisco: Edgewater, New Jersey; New Orleans, and Casa Grande, Arizona,

# K Mart to Buy Pay Less Drug Stores

Corp. will purchase Pay Less Drug

Stores Northwest Inc. under a \$500-million merger agreement, the companies announced Mon-Analysts said the transaction is an attempt by K mart to further expand its discount retailing opera-

> In the first step of the merger, a subsidiary of K mart will make a cash tender offer to purchase all shares of Pay Less at \$27 a share. Morgan Stanley & Co. Inc., a New York brokerage bouse, will manage the tender offer, scheduled to com-mence by Jan. 18, 1985.

The companies said Pay Less has granted K mart an option to purchase nearly 1.8 million authorized

TROY, Michigan - K mart shares would represent approximately 9.8 percent of all shares outstanding in Pay Less.

The merger is subject to regulatory approval and approval by shareholders of Pay Less. The Wilsonville. Oregon, chain operates 164 drug stores in Oregon, Washington, California, Idaho and Nevada. Its financial adviser in connection with the K mart Mr. Greenstein said, "since K

tal Markets. Pay Less shares closed at \$27.25 Friday on the New York Stock Ex- growth."

change.
K mart, the second-largest U.S. retailer - after Sears, Roebuck & Co. — operates more than 2,100 "the long-term prospects for Pay stores in the United States and Less and its employees will be en-Canada. Analysts said its decision hanced by an affiliation with K but unissued shares of Pay Less to purchase Pay Less is part of a common stock at \$27 a share. If the long-term strategy to expand its to purchase Pay Less is part of a

option were exercised in full, the discount retailing operations into

As part of this strategy, K mart bookstore chain and the Home Centers of America chain of do-ityourself home improvement stores, said Monroe Greenstein, a retail industry analyst for the securities firm Bear, Sterns & Co.

transaction is Merrill Lynch Capi-mart's traditional business in discount retail stores is pretty mature. and they need new areas of

> K mart's chairman, Bernard M. Fauber, and the Pay Less chairman, Edward B. Hart, said that mart.

#### U.S. \$75,000,000 IC Industries Finance Corporation N.V.

#### Guaranteed Floating Rate Notes Due 1991

in accordance with the provisions of the Notes, notice is hereby given that for the interest period from January 15 to July 15, 1985 the Notes will carry an interest rate of 95/16% per annum. The interest payable on the relevant interest payment date, July 15, 1985 against Coupon No. 12 will be US\$46.82.

By: The Chase Manhattan Bank, National Association, New York

Fiscal Agent



#### **COMPANY NOTES**

Multi-Purpose Holdings BHD said it raised its stake in Malaysian French Bank BHD to 70 percent from 51 percent by purchasing a further 7.6 million shares for 26.1 million ringgit (\$10.6 million).

Datapoint Corp. said it would consider an offer by Asher Edelman to buy Datapoint for \$23 per share, but had refused his requests for 60 days to study confidential company information, for an agreement to buy 18 percent of Datapoint's 20.2 million shares and for a commitment not to consider any other offers.

Mitsubishi Corp. is issuing \$200 million of 10-year Eurobonds paying 10% percent and priced at par, ond market sources said. Fees to-

Avon Products Inc. will issue yen-denominated Eurobonds later this week. Yamaichi International (Europe) Ltd., lead manager for the

kets to consolidate five loans for in the family holdings.

300 million Deutsche marks (\$95.2 million) and 61.5 million Swiss holders of its common stock to francs (\$23.3 million) signed between 1979 and 1981, and to refi- and \$49 a share, as specified by the nance six loans signed between 1978 and 1980. The new loan would be for seven years, with four years grace, and carry interest at 34 percent above the London interbank offered rate for the first two

years and at % percent in the re-

maining five years. Kuala Lumpur Kepong BHD said said it will accept an alternative offer of slightly over \$14 million from Kumpulan Jelei SDN BHD, a subsidiary of Kumpulan Guthrie SDN, for its 26.23 percent holding in Highlands and Lowlands BHD.

Courier-Journal and Louisville

Times Co., WHAS Inc. and Standard Gravure Inc., owned by the Bingham family of Louisville, Kentucky, could get their first outside shareholder as the result of a decision by Sallie Bingham, daughter of chairman Barry Bingham Sr., to Autopista Vasco-Aragonesa, consider offers from nonfamily Concessionaria Espanola SA has members for her shares. She estiasked Merrill Lynch Capital Mar-mated her ownership at 15 percent

Holiday Inns Inc. will invite tender shares at prices between \$46 shareholders.

NEC Corp. said it had received an order from Kuwait for a mobile telephone system worth \$51 million to be established in December

MGM-UA Entertainment Co has no plans to transform the publicly held movie studio into a privately owned company, Chairman Frank Rothman said. Last year, the controlling stockholder, Kirk Kerkorian, made and then withdrew an affer to buy out the public's 50percent holdings.

General Motors Truck and Bus Group, a unit of General Motors Corp., said it will invest nearly \$400 million to expand light truck production at a plant in Pontiac, Michigan, by mid-1986.

A.E. Staley Manufacturing Co. said it has sold some of its soybean milling operations to independent Soy Processors Co. for an undis-

# Oil Firms' Free Spending May End

Other diversification efforts with

Other diversification efforts with poor returns have included Exxon's \$1.2-billion purchase of Reliance Electric in 1979; Standard Oil Co. of Ohio's \$1.8-billion purchase in 1981 of Kennecott Copper Co., and Mobil's \$2-billion purchase of Marcor, parent of Montgomery Ward & Co., the retailer, and the Container Corp. of America.

"Mostly, diversification has been a big waste of money," said M.A. Adelman, an economics professor

nology. "If I were a stockholder, I would be aggrieved."

If new debt reduces the money

available for diversification, it is

also likely to curtail expensive and

often unsuccessful exploration,

such as last year's Mukluk drilling

At \$1.6 billion, Mukluk was the

most expensive dry hole in history.

Oil companies typically say they are drilling for the long term, and

in the Beautort Sea, off Alaska.

Container Corp. of America.

(Continued from Page 9)

School. "You had a lot of companies with maybe 15 percent debt with 50 or 60 percent debt."

# Philadelphia's New Option

(Continued from Page 9)

Still, the fact that the Philadel-

The exchange also plans to open a futures market soon, and it has already been named the Philadel-

"If this options contract is ap- show.

based on these futures." change is also negotiating to link day that an overall business slowup with the London International down in the second half of last year Financial Futures Exchange and the Hong Kong Stock Exchange. down in the second half of last year and increased financing costs mother Hong Kong Stock Exchange.

tems division, and Atlantic Rich-field Co., which bought Anaconda Minerals Co. for \$700 million in prices and increased difficulties in Minerals Co. for \$700 million in prices and increased difficulties in 1977, took a \$785-million write-off finding new oil, have raised quesfor the planned sale of some of the tions about whether the industry is acquired metals, minerals and spending wisely.

Analysts estimate that it costs \$12 to \$16 a barrel to find oil that will not be pumped for years.

The discounted value today of the money that will be paid for that oil; analysts estimate, is \$9 a barrel. ing and marketing — two areas that have become large money losers as energy demand and prices have waned — would be welcome.

# The Royal Oak

New Issue



January 2, 1985

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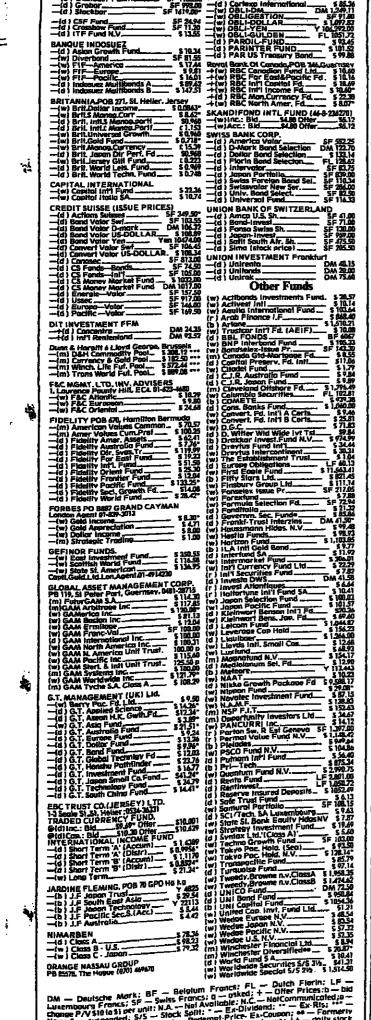
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change P/V \$10 (a5) per unit: N.A. — Noi Availizable; Dividend; \*\* — Ex-Ris; \*\*
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Grass Performance Index Nov.; a — Redempt-Price-Ex-Counge; ++ — doily stock
Worldwide Fund Litd; @ — Offer Price Incl. 3% grellin, charge; ++ — doily stock
Price as an Amsterdam Stock Exchange

#### relative to total capital, while in other industries you had companies Examples of diversification moves that have backfired are Ashland Oil Inc. took a \$270million write-off for its planned sale of an insurance company and In the last year alone, for exam-

ple, Exxon Corp. said that it was other nonoil operations, and Penn-discussing the sale of its office-syswrite-off because of its withdrawal from the mining of base metal: precious metals and potash.

and the S&P 100 contains the bluest chips of all.

phia exchange is the third-largest stock-options market after the CBOE and the Amex should provide ample support for its Value at Massachusetts Institute of Tech-

phia Board of Trade. The board's president, Arnold F. Staloff, said the first product will be options on Eurodollar time deposits that will be settled in cash. Why trade them on a futures

exchange? Mr. Staloff replied: "The Securities and Exchange Commission has ruled, in effect. that options on Eurodollars are not securities. But the Commodity Futures Trading Commission, mean-while, was willing to accept our application to open a futures market. And that is where we hope to

trade them."

Mr. Staloff's next project will be to open a market in index options on 100 over-the-counter stocks.

some efforts are bound to fail. But sharply rising exploration S. Korea Firms' Profits

Rose 13.8% Last Year

SEOUL - The 207 companies listed on the Korea Stock Exchange "We believe our proposed cash-settled 'OTC 100' options are an 573.8 billion won (\$691.9 million) excellent surrogate for the more in 1984, up 13.8 percent from 1983, than 4,000 issues now traded in the on sales of 36,480 billion won, up over-the-counter market," he said. 10.6 percent, preliminary figures

proved, we may also open markets in an OTC 100 futures, and options 20.1 percent and 49.7 percent, reased on these futures." spectively, over the 1982 level.
The Philadelphia Stock Ex-Stock exchange officials said Mon-

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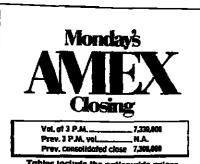
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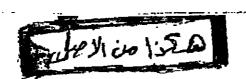
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In Hungary, Communists Raise Capital by Issuing Bonds

much capitalist tinsel, in the 1960s millions of dollars of short-term turned the once-thriving stock ex-change here — an immense art

Two decades later, Hungary has become the first Soviet-bloc country to reintroduce interest-bearing bonds. It is a bold design to boost domestic savings that some West-

"The demand arose for a regrouping of capital, for a focusing of capital," according to Janos Radnotzi, director of Hungary's ways of raising capital: taxing corbon by wor narrow."

Descripting of capital, not a focusing of capital, according to Janos started, the state had basically two dozen issues have reached the market of the state had basically two dozen issues have reached the market of the state had basically two dozen issues have reached the market of the state had basically two dozen issues have reached the market of the state had basically two dozen issues have reached the market of the state had basically two dozen issues have reached the market of the state had basically two dozen issues have reached the market of the state had basically two dozen issues have reached the market of the state had basically two dozen issues have reached the market of the state had basically two dozen issues have reached the market of the state had basically two dozen issues have reached the market of the state had basically two dozen issues have reached the market of the state had basically two dozen issues have reached the market of the state had basically two dozen issues have reached the market of the state had basically two dozen issues have reached the market of the state had basically two dozen issues have reached the market of the state had been dozen in the credited with creating the bond savings accounts in

By John Tagliabuc of 1982. Hungary was severely plan pinched when Western banks, mon frightened by Poland's financial ed. Communist leaders, evidently re-collapse and the grave payment garding stocks and bonds as so problems of Romania, called in

nouveau granite heap opposite the government authorized domestic institutions — cities and towns, companies and banks — to raise of from 11 to 14 percent. capital by issuing interest-bearing

companies that were not then availindustrial efficiency by making industrial efficiency by m

Before the bond program was State Development Bank, who is porations and offering individuals million. When asked just how

Banking officials hoped the bond program would address those problems. The State Development Bank set interest rates, Westerning with a modest 9-percent offer-

Ideological critics were disarmed The object of the program was to raise funds from individuals and companies that were not then available to the government, and to changed the government, and to changed the government, and to changed the government and to change the government preuge to guarantee the bonds through an offer to repurchase them within a 5-percent price band. Mr. Radnor price band. Mr. Radnor price band the government preuge to guarantee the bonds through an offer to repurchase them within a 5-percent price band. Mr. Radnor price band the government preuge to guarantee the bonds through an offer to repurchase them within a 5-percent price band. Mr. Radnor price band the government preuge to guarantee the bonds through an offer to repurchase them within a 5-percent price band. Mr. Radnor price band the government preuge to guarantee the bonds through an offer to repurchase them within a 5-percent price band. Mr. Radnor price band the government pric needed quickly. Just how much one digit before the percentage mark is socialism, while two is capitalism."
Bank officials said about two

of 1982. Hungary was severely planned capital allocations: getting pinched when Western banks, in a flair of marketing verve, have a finishtened by balance of the property of the enterprise as a "curiosity". Other attracted investors by offering pre-terprise as a "curiosity." Other

Late that year, the Hungarian style, by testing the market, start-At the same time, a remarkably port performance honestly. ey has come from the private sector, rather than from state-con-trolled businesses. "They've driven work," remarked a Western diplomat who watches the Hungarian

> natives in the Communist economy. "Pass books bring little," one panies are managed would come diplomat said. "Beyond that, you can start a little business, or maybe Hungarian planners have, in fact, buy works of art. But the range is toyed with the idea.

ferred service, such as early tele. Western analysts disagreed, arguphone installations or a place in a day-care center, to bond buyers. If in its forcing companies to re-

Companies and municipalities have to report their financial stand-ing to the Ministry of Finance betrolled businesses. They've driven fore they can get permission to is-the private saver out of the woodprospectus that is usually pub-lished entirely, or in part, to boost

only with the sale of stock. And

#### Industry Output In China Grew 13.6% Last Year

BELJING — The output value of China's industries in 1984 rose 13.6 percent to a record 700 billion yuan (\$250 billion), the State Statistical Bureau said Monday.

Crude oil and coal production rose 8 percent, and 6.6 percent more electricity was generated, according to the statistics reported by the Xinhua news agency.

The bureau said that 1984 coal output was 770 million metric tons, oil production was 114.5 million tons (33.6 billion U.S. gallons) and electricity generation totaled 374.5 billion

# Japan's Trade Surplus Swells To a Record \$33 Billion

(Continued from Page 9)

Japan's 1984 trade surplus with the United States was \$34.3 billion. For 1983, Japan had reported an \$18.18-billion trade surplus with the United States, while U.S. goverument figures put the surplus at \$21.6 billion.

The growing Japanese trade sur-plus with the United States has been a key source of friction be-tween the two nations.

U.S. officials have called on Japan to open its domestic markets and take other actions to reduce the surplus, which U.S. officials fear may grow to \$45 billion next year. Japanese leaders, while agreeing

to some market-opening measures, have said the strong dollar and the U.S. budget contribute to the sur-

amounted to \$19.41 billion, a 4.8percent increase. Imports from the EC were \$9.33 billion, a 14.9-percent increase over

1983, it said. For 1983, Japan had reported a \$10.4-billion trade surplus with the community, while the EC reported

the surplus at \$12 billion. (AP, UPI, Reuters)

#### China Provincial Airline To Acquire Boeing 737s

BELJING - Yunnan province in southwestern China has bought two Boeing 737-300s for its own airline, the first order for the U.S.

"The idea was not only more capital," he explained recently. "but a flow of capital to companies that are most profitable."  The impenus for developing the Hungarian market, Mr. Radnotzi said, began with the credit squeeze The savings accounts in state banks of time deposits, which pay slightly higher rates than savings accounts in state banks of time deposits, which pay slightly higher rates than savings accounts in state banks of time deposits, which pay slightly higher rates than savings accounts in state banks of time deposits, which pay slightly higher rates than savings accounts in state banks of time deposits, which pay slightly higher rates than savings accounts in state banks of time deposits, which pay slightly higher rates than savings accounts that are most profitable."  The impenus for developing the Hungarian market, Mr. Radnotzi said, began with the credit squeeze	ly on the bond market, one off smiled and replied, "Let's say, sky's the limit."  The biggest borrowers to do bankers said, have been Hunga.	may also sell their bonds and a vertise their offering. The news pers publish tables with products and interest rates daily, a the blossoming of a resale maritant caused the Development Bank	Da-	s Flights  tonal  LE, Flori- ernational protection U.S. bank- aumed \$59  were manufact	plus. Prime sone, di ing with earlier look in opening tured, up 45.7  plus. Prime sone, di ing with earlier look in opening tured, up 45.7  plus. Prime plus. Prime sone, di ing with earlier look in opening tured.	aring his Los Angeles meet- h President Ronald Reagan this month, promised to the ways to speed up the g of Japan's markets to U.S. s. Finance Ministry reported	airline, the first order for the U.S. company since China began to spli up its airline monopoly.  The planes will be used on domestic and international routes after they are delivered in November 1985 and February 1986, the Xinhua news agency said Monday. Boeing will train Chinese personnel and send experts to help operate the planes.
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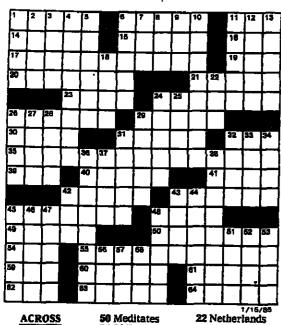
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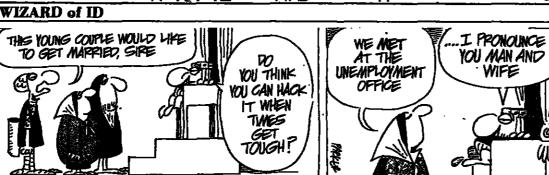
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#### **BOOKS**

#### **BRIGHT RIVER TRILOGY** By Annie Greene. 256 pp. \$14.95.

Simon and Schuster, 1230 Avenue of the Americas. New York, N. Y. 10020.

MARCIE!

Reviewed by Jonathan Yardley This exceptionally intelligent and appealing first novel is being compared by its publisher, for promotional purposes, to Judith Guest's "Ordinary People." The comparison isn't mere hype. Like Guest's novel, Annie Greene's has come from an unknown writer and has convinced its surprised publisher that its literary merits are matched by its commer-cial possibilities. Also like Guest, Greene has a feel for the emotional undercurrents of middleclass American life that is too rarely encountered in what passes for serious fiction in the United States these days.

If anything, the class about which Greene writes is lower-middle. "Bright River Trilogy" is set in the Maryland town of Hooks Crossing, of which one character says: "What a terrible little town! All the streets slide down to Bright River where the dank smell of the tomb floats in the shallows with the trash. All the buildings of the town seem to lean toward the water as though seeking its power for their small pretensions." The town is country but the city is encroaching on it; there's probably not much time left to it to be a small town, to lead the hermetic, self-contained life that Greene de-

The novel is called a trilogy because it has three narrators: Lilly Blunt, Ellen Gibbs and Jessie Talbot. In varying degrees and for different reasons the lives of all three have been deeply affected by Lilly's son, Darcy, a man in his early 30s who has never taken the trouble to grow up. He's a renegade, a rebel against both the constrictions of small-time life and his memories of his strict, unloving father. He's also an irresistibly lively, energetic, humorous, affectionate man who has what Jessie calls a "jaunty grace that made him seem as if he were free from what other people thought of him. whose smile "promised whatever I would dare

to ask. It's this life-giving force in Darcy that leads all three women to turn to him in hopes of easing the pain they feel from losses and mis-takes in their own lives. Lilly is haunted by the terrible memory of her husband's suicide, committed after being discovered in a land-fraud cheme; Jessie, a schoolteacher, has fled her job in Baltimore after being rejected, in a most humiliating way, by the man she loved; Ellen is about to marry a man whom she does not love in the vain hope of breaking her history of promiscuity. Jessie speaks for all of them when she says:

"I smoothed the pages of the book in my lap and looked at Darcy. Dad had nodded off. His quiet snore was the only sound in the room. Darcy lifted the can of beer to his lips. When he Darcy lifted the can of beer to his lips. When he tilted his head, his jaw was sharply drawn, his cheekbones taut against the skin. The shadows under his eyes seemed lightly drawn as if they would vanish easily in his smile. He's a handsome man, I thought. And I wondered at his being with us at all, his lean-edged energy at rest in our house. He had come into our life and become somehow an arranger of it. It was as if he headene the storyteller of our life and he became the storyteller of our life and through the words he set us all into configura-

tions varied as the stars."

But Darcy is a man, not a saint, and he cap only do so much for these three women. He turns out to be a catalyst rather than a savior, in the end leaving all of them to work out their own responses to their problems but also giving them, in the memory of his powerful energy, the vitality to do so. Most of all he has given them the knowledge of a love offered without price, a love that is all-embracing and affirmative, he is a flamed man but at his constitution. tive; he is a flawed man but at his core a wonderfully good one, and none of them comes away from him unaffected.

This being the case it is somewhat surprising that of the novel's four principal characters, Darcy is the least fully realized. We see him less as a discrete individual than as a character, part fact and part fancy, who lives in the minds of the three narrators. But this is no great flaw and it may indeed be an intentional device: How Darcy matters most, Greene seems to be saying is not as himself but as a man who changed the lives of others. And those others are beautifully portrayed. To give a novel three narrators is a daring gamble; to make there equally distinct and believable is a very considerable feat. Annie Greene has done this and much more in "Bright River Trilogy," a tough-minded and tenderhearted book that deserves all the success that seems to be in store for it.

Jonathan Yardlev is on the staff of The Washington Post.

#### Cavallino Retrospective in Fort Worth United Press International

FORT WORTH, Texas - The first major retrospective of the work of the 17th-century Neapolitan painter Bernardo Cavallino opens Jan. 26 at the Kimball Museum. The exhibit of more than half of Cavallino's 85 known works, including a self-portrait, will be on display through March 24. Cavallino, 1616-1656, was virtually unknown until he was rediscovered in this century, but during his life he was considered one of the premiere painters in Naples.

# **CHESS**

By Robert Byrne

NATOLY KARPOV and ANAIULI KARTUV and Gary Kasparov played eight more moves of the adjourned 39th game of their world chess championship pov diverged with 22 NxP from match in Moscow before agree-

and needs one more victory to be feared because 22 . . . Qdefeat the 21-year-old Ka- R3; 23 N-QN5, NxP would be

sparov and retain his title. Draws do not count in this Kasparov did play contest, which has seen title- 22 . . . Q-R3, but after 23 N-

reinforced the idea that an atturned out to be 41 . . . N-B3, tempt to seize material by 20 was written and placed in the NxP? would have tripped referee's official envelope for

White blundered with 21 NxP?, QxN; 22 RxR, RxR; 23 QxN, QxQ; 24 RxQ, R-N8ch, forcing

The play continued to follow that of the 38th game until Karthe 22 Q-B5 that Kasparov had ing to a draw.

Karpov, the 33-year-old commentary to Game 38 in this champion, leads the match 5-1 column that 22 NxP should not acceptable for Black.

match records set for the most QN5, he chose to go directly dead level rook-and-pawn end-draws, 33; the most consecutive with 23... QxP, 24 QxQ, ing.

Thus, the players agreed to a

in the modern era.

When this 39th game began last week, the players were copying each other's moves from the previous game.

The challenger was still holding his own through to adjournment at Move 41 last Monday night; his sealed move, which are the challenger was the challenger was still holding his own through to adjournment at Move 41 last Monday night; his sealed move, which are the challenger was the challenger was still holding his own through to adjournment at Move 41 last Monday night; his sealed move, which are the challenger was the challenger was still holding his own through to adjournment at Move 41 last Monday night; his sealed move, which are the challenger was still holding his own through to adjournment at Move 41 last Monday night; his sealed move, which are the challenger was still holding his own through to adjournment at Move 41 last Monday night; his sealed move, which are the challenger was still holding his own through to adjournment at Move 41 last Monday night; his sealed move, which are the challenger was still holding his own through to adjournment at Move 41 last Monday night; his sealed move, which are the challenger was still holding his own through to adjournment at Move 41 last Monday night; his sealed move, which are the challenger was still holding his own through the challenger was still holding his ow

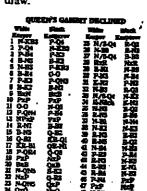
NxP? would have tripped white into a trap:
20...BxN; 21 QxN, QxQ;
22 RxQ, BxN; 23 PxB, P-R3;
24 B-Q3, RxRch; 25 BxR, R-Q8ch wins a piece for Black.

Moreover, the same theme of that trap — back-rank weakness — could have shown up again after 20...QxB, had referee's official envelope for overnight safekeeping.

Nevertheless, Karpov persevered with the game until Kasparov played 48...P-Q51, cleverly avoiding the loss of a piece. Karpov could not have got anywhere by 49 NxB, PxN; 50 RxN since 50...R-B2!



Thus, the players agreed to a



KRAME SLYGUN THE FEELING HE GOT WHEN HE SAW THAT THE BOAT HAD SPRUNG A LEAK **ENBLIM** Jumbles CHALK WIPED BOBBIN ARMORY Answer: The model decided to marry the artist because she was this -- DRAWN TO HIM WEATHER Bangkok Belling Hang Kong Manila New Dathi Secul Shangkal Singapore Talpal Tokya AFRICA

HAS ANYBODY SEEN MY NEW DRUM ? THE ONE

JUMBLE THAT SCRAMBLED WORD GAME
by Henri Arriold and Bob Lee

I PLAYED ON ALL AFTERNOON ?"

EUROPE Algorve 10 56
Amsterdom -6 22
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Amsterdom -6 23
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Bercalone -1 25
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Beddenest -2 25
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Coste Del 50 13 2
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Fibretoce -3 25
Fibretoce -3 25
Fibretoce -4 25
Fronkfurt -4 11
Sibrabel -3 26
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Lisbon -3 26
Atlascow -4 39
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Osto -15 3
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Rosne -1 1 9
Rosne -LATIN AMERICA 22 90 21 26 79 19 23 73 4 31 88 21 <u>OCEANIA</u>

Southland Woodstoe Wormald All Ordinaries Index Previous : 730.20 Source: Reuters, Amsterdam Other Markets 1,75.0 77.10 369.30 1,976 2,365 1,755 790 80.30 645 710 257 256 44.90 1,210 1,445 1,909 2,245 4,947 2,245 Canadian Stock Markets Jan. 11 Goes Press
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44. : .

Andler Moses . 11

Michertake Bull

## **SPORTS**

# Magoni Registers First-Ever World Cup Victory

Oertli, With Second-Place Finish, Ties Swiss Teammate Figini for Overall Lead

PFRONTEN, West Germany --Olympic slalom champion Paoletta

Towns With U.S.

... Jun Ewer.

。 一定學情傷

over a treacherous course that re- Brigitte Oertli of Switzerland fin- But Hess went out of the race warded technical skill.

The 19-year-old proved fastest Magoni of Italy registered her first-ever World Cup victory here Mon-bined time of 1 minute 47.18 secday when she took a slalom race onds for a convincing victory.

Brigitte Oertli of Switzerland tunished second in 1:48.50, and the 20 points she earned vaulted her into a tie at the top of the overall cup it at the top of the overall cup.

Tamara McKinney of the United States, the top cup alternoon run fell out of the afternoon run She had Both have 165 points.

> "The course was hard and conditions varied," Magoni said after-

WORLD CUP SKIING

"But I always do well on a diffi-cult course," she said. "It suits the

Oertli, who has yet to win a race this season despite her prominent position in the overall standings, said her goal now is to notch a

Figini, by contrast, clocked her fourth first of the season when she triumphed in Sunday's giant slalom

Zini, 25, agreed that the widely varying conditions encountered along the Breitenberg slalom run played to the Italians' strong suit because their team training stresses technique. "I made mistakes on the second run, but it wasn't so bad,"

With a 180-meter (590-foot) verucal drop, the course featured a full range of conditions, from solid ice

Only 38 skiers - fewer than half of those who started the 58-gate morning run - survived to try their luck through the 68 gates of the Jan. 31.

overall World Cup winner last putting his health above any other year, matched Magoni's time on consideration and will not risk pre-the first leg.

when she straddled a gate. She had

Daniela Zini of Italy placed third been fifth in the morning.

Monday, clocking 1:49.18 on a Olga Charvatova of Czechoslocourse that proved extremely diffivakia clocked 1:49.33 to take fourth place ahead of American Eva Twardokens, who had a combined 1:49.83 for the best finish of her World Cup career. Corinne Schmidhauser of Swit-

zerland, Blanca Fernandez-Ochoa of Spain, Helène Barbier of France and Elisabeth Kirchler of Austria took the next four places, respec-

■ Surgery for Zürbriggen

World Cup points leader Pirmin Zürbriggen underwent knee sur-gery late Sunday. United Press International reported from Muttenz, Switzerland.

Zürbriggen hurt his left knee Saturday in Kitzbühel, Austria. during the final stages of a race he won his second downhill triumph in two

Afterward he could not bend the knee normally.

Athroscopic surgery removed part of the joint's inner meniscus. A statement released by the Swiss Ski Federation said the knee's cartilage was unaffected.

Zürbriggen began his rehabilitation therapy Monday. Doctors said he could be skiing in two weeks at the earliest.

Zürbriggen still hopes to partici-pate at the world ski championships in Bormio, Italy, starting

But the statement said that both Erika Hess of Switzerland, the the federation and skier himself are mature competition.

# Turning the Tables: Rugby Reckoning

By Bob Donahue International Herald Tribune

PARIS - The big league of international rugby has 10 members. At the start of 1985 England ranked 10th. No one noticed.

Oh, there was much grumbling about re-sults and anguished talk of reform as the new year began. But world rugby has no standings, so no aspiring reformer could use the simplest of arguments: "We're last. As a matter of fact, chaps, we've been last for seven months."

A Jan. 5 match with upstart Romania then gave old England a chance for parole from the world cellar. A few new English players clicked. Romanians visiting Twickenham for the first time performed like stagestruck robots and the home team won drearily, 22-15. Unbeknownst to any and all, England had clambered back up into ninth place - atop Агрепцпа. Argentina, now occasionally disguised for

political reasons as "South America," has beaten Wales, Scotland, Ireland, Romania, Australia and South Africa since the late 1960s. Romania has beaten France, Wales and Scotland in the '80s. What has not changed is rugby's habit of arguing about rank instead of reckoning it.

The sport's congenital state of undermanaged muddle is part of its charm. Who needs numbers? If the rugby ethos prevailed, the scoreboard after a big club match would say something like, "A fine time was had by all, especially Leicester." No numbers.

Arithmetic is increasingly respected. though, when it has to do with gates, television rights, sponsorship or any other gauge of relative popularity. Right now, senior administrators are frightened by the prospect of an ungentlemanly brawl, when rugby's ruling International Board meets in Paris in March, between advocates and adversaries of a world

Rothmans Rugby Yearbook, the sport's unofficial bible, has yet to establish world rankings. The British monthly Rugby World did give it a try last August, in a cover story that attracted interest abroad. It rated the top 10 as follows: New Zealand, France, South Africa, Australia, Scotland, Wales, Romania, Fiji, England, Ireland.
The inclusion of Fiji at the expense of

Argentina - "out of contention in the wake of the Falklands war" - was peculiar. A more basic flaw was lack of the clout that only verifiable figures can give. The rankings were just one magazine's opinion.

Thus does rugby potter along. When Australia toured the British Isles from October to December, sweeping its four test matches, people kept saying that the Wallabies now ranked with the best in the world. No one could be specific.

To be specific: On the basis of each country's last 10 matches against any of the other nine nations, Australia ranks fourth, with five victories, a draw and four defeats (see Jan. 5 table, below). Scotland is also 5-1-4, but it scored 17 tries in its last 10 matches, compared with Australia's 19.

World rugby's Big Three at present are South Africa (7-0-3, 32 tries), France (6-1-3, 20 tries) and New Zealand (6-1-3, 16 tries). Had objective rankings been available, Australia's flashy tour results would have seemed less extraordinary. Australia ranks no higher today than it did in 1981 and 1982, when it was also fourth.

Scotland, which has won four of its last six matches, will be on top of the world at 8-0-2 if it wins its next four. That is unlikely, but something to aim for.

BIG EAST



In the first rugby test match of the year, at Twickenham in London on Jan. 5, Romanian Marian Aldea, top right, wrestled David Cooke out of the play while English teammate Wade Dooley (in headband) grappled for the ball.

Mourning for England, now 3-0-7, might be less bitter if it were realized that England slipped to 1-0-9 in February 1973. It fell to 2-0-8 in 1976 and again in 1978.

English determination should rise further with the knowledge that the victory over Romania lifted England past France into fourth place for the 1980s overall (see 1980s table). Victory in Dublin on Saturday would put England in third place, ahead of Austra-

Which brings us to a second sort of table -

LAST 10 TESTS AS OF JAN. 5, 1985

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	6 5 5 4 4 3 2	7 0 1 6 1 5 1 5 1 4 1 4 0 3 0 3 0 2 1	7 0 3 6 1 3 5 1 4 5 1 4 4 1 5 4 0 6 3 0 7

THE 1980s: 116 TESTS

1116 17003	110 160	,13	
	P W	D L	Pc
<ol> <li>South Africa</li> </ol>	16 13	0 3	.81
<ol><li>New Zealand</li></ol>	23 16	16	.71
3. Australia	26 13		
4. England	28 13	3 12	51
5. France	36 18	1 17	51
<ol><li>Scotland</li></ol>	29 13	2 14	.48
7. Wales	24 10	1 13	.43
8. Romania	11 4	16	.40
9. Ireland	25 8		
<ol><li>10. Argentina</li></ol>	14 2	1 11	.17
	_		

comparing results of different numbers of matches over a common time span, instead of a common number of matches over different time spans.

Who was who in the 1970s? There were 200 tests, and the standings finished this way: South Africa, Wales, New Zealand, France, Ireland, Scotland, England, Australia, Argentina, Romania.

The number of tests is increasing slowly from 97 in the first half of the '70s to 103 in the second half to 115 in the first half of the France plays the most often: 36 tests so far in the '80s. At the other end of the scale,

South Africa has played 16 times, Argentina (or "South America") 14 times and Romania Home advantage is oddly constant overall, Home teams' winning percentage was .635 in the 70s (119 victories and 16 draws in 200

es). The Northern Hemisphere's international season, from late September to mid-March, is when most tests are played. In a typical year there are seven tests in the Southern season

There were eight matches during the last

Eight matches have already been played in the current Northern season.

The only regularly scheduled feature of the

# Hurdler Moses Arrested in Hollywood Vice Sweep Compiled by Our Staff From Dispatcher The female officer was part of a task force working LOS ANGELES — Two-time Olympic hurdles to deter prostitution in the Hollywood area, police

champion Edwin Moses was one of 82 men arrested said. and charged with soliciting prostitution during an antivice sweep of Hollywood early Sunday, police said. He was also cited but not arrested for possession up in a search of his car. of a small amount of marijuana, a police spokesman Moses, married and recently named co-winner of

Brigitte Oertli helped shoulder slalom winner Paoletta Magoni.

Sports Illustrated's athlete of the year award with gymnast Mary Lou Retton, won the gold medal in the 400-meter hurdles at the 1976 and 1984 Olympics and has not lost in seven years and 109 races. His worldrecord time for the event is 47.02.

Moses, 28, took the Olympic oath on behalf of all Olympic athletes at the opening ceremonies of the 1984 Summer Games, which marked the first time that Moses, a star of long standing in Europe, had received substantial recognition in the United States.

Police said Moses was arrested for allegedly approaching a female undercover police officer and soliciting an act of prostitution. He was released on his own recognizance; no court date has been set. The misdemeanor carries a \$500 fine and/or a six-month

Police said Moses was also cited for having a small amount of marijuana in his possession after it turned

He was not booked for drug possession, since the amount "was much, much less than an ounce," the spokesman said. Moses received the Sullivan Award in 1983 as the top U.S. amateur athlete, and is one of only seven

athletes worldwide who are members of an advisory

commission to the International Olympic Committee.

Moses has spoken out against athletes who used steroids and other drugs and is also onsidered one of track and field's leaders in gaining financial rights for the athletes. One of the highest-paid performers himself, Moses reportedly figured to make almost \$1

million during 1984. Moses was not immediately available for comment. but his arrest surprised many the sports world. "He has impeccable character and he's an outstanding young man," said Larry Ellis, who coached the U.S. men's Olympic track team. "He's shown tremendous leadership ability and impressed people by his demeanor."

(UPI, AP)



# 76ers Overtake Bullets for 115-104 Victory

shot only blanks. The Bullets led, 91-75, late in the third quarter of their National Basketball Association game here Sun-

# Wadkins Golf Victor In Playoff

Lanny Wadkins made up four Houston 99; Detroit 121, the Los shots on the last five holes of regu-lation to the Craig Stadler and then beat him with a birdie on the lifth hole of a sudden death playoff Sun-

birdie-birdie-birdie over the final five regulation holes, won the

in regulation play, Wadkins's rally finished off a fifth-round 65, seven shots under par, and enabled him to tie Stadler with tournament-record 333, 27-under Stadler, who tore up the front side in 31, had a closing 66.

extremely difficult positions—
they remained tied going to the mars 19th.

Losing for only the second time The 400th goal, as with so many at home this season, Buffalo took a of his others, was a beauty. He have 19th and 19th an

Stadler hit his third shot about 13 of the season.

day, but the 76ers outscored them lead to 91-79. Then a 12-2 run, with LANDOVER, Maryland — by 40-13 in the final 13 minutes. Erving scoring seven points, made Once the Philadelphia 76ers got to Philadelphia's 115-104 victory was it 93-91.

77 points, the Washington Bullets — Andrew Toney, nine of whose 15

#### **NBA FOCUS**

its 11th straight, the longest winning streak in the league this sea-

To go from 16 points down and win by 11 -- a 27-point turnaround in 13 minutes - was pretty impressive," said Julius Erving, who scored 21 points for Philadelphia, which is 31-6 but still trails firstplace Boston by half a game in the

Atlantic Division.
Philadelphia guard Maurice Cheeks hit all nine of his shots from the field and finished with 25 points to lead all scorers.

Elsewhere it was Milwaukee 140, PALM SPRINGS, California - Denver 116; New Jersey 100, Kansas City 114.

Sedale Threatt and Erving start- ankle in the second quarter.

Andrew Toney, nine of whose 15

points came in the decisive final period, scored three points during a 7-0 streak that gave Philadelphia a 100-97 advantage. Then he rebounded in his own missed shot to start another run of five straight

Erving said the bus ride from Philadelphia may have accounted for the team's poor start, "We had to get our ground legs after an hour and a half on the bus," Erving said.
"It took us a while to get cranked up. Then things started to shift, and everything snowballed. Washing-

ton was due a cold spell." The Bullets, hurt in part by an niury to forward Cliff Robinson, loaded in the final quarter, going los Angeles voncouver injury to forward Cliff Robinson, folded in the final quarter, going Angeles Lakers 98; Dallas 124, just 3-for-23 from the field. Robin-Portland 101, and Seattle 119, son didn't play in the second half son didn't play in the second half after hurting his right knee and

day to win the Bob Hope Classic ed the Philadelphia comeback by golf tournament.

Wadkins, who went eagle-partial day to win the Bob Hope Classic ed the Philadelphia comeback by scoring the last four points of the lineup," said Washington Coach third period, cutting Washington's Gene Shue.

# \$90,000 first prize with a 15-foot putt on the 15th hole at the Indian Gretzky Scores Goal No. 400 Wells course. "Believe me, it's more holes than we wanted to play," Wadkins said after 95 holes of play in the opening event on the 1985 PGA tour. Los Angeles Times Service As Oilers End Sabres' Streak Los Angeles Times Service Ale games, breaking still another than the opening event on the 1985 PGA tour. RIFFAIO — Wayne Gretzky

lead and the holes dwindling away became the youngest player to Mike Bossy scored his 400th in his score 400 goals in National Hockey
League history Sunday at Buffalo,
Gretzky is

#### NHL FOCUS

hole, and after a couple of dramatic end the Sabres' 10-game unbeaten

4-3 lead early in the final period on skated in from the blue line, worked his way through several Saup on a rocky hill to the right. The former Masters champion thrashed period Messier tied the score, and angle, lifting the puck through a we fairway; Wadkins then lashed he forced a shot past Tom Barrasso from close range for his ninth goal sier's last game for a while. In mid-

Elsewhere it was the New York gary's Jamie Macoun in a fight. feet below the cup. He sunk his birdie putt — and Wadkins missed his shot at an eagle his shot at an eagle putt — and wadkins missed his shot at an eagle phia 7. Calgary 1; Winnipeg 6, Los his punishment — probably a suspine 5 Detroit 2 and pension — on Monday. Back they went to No. 15, a par
3. Stadler missed the green to the right and Wadkins put his about 15.

BUFFALO - Wayne Gretzky record. A year ago the Islanders' Greizky is the 23d NHL player

but it took two third-period goals to record 400 goals. He also assisted on Sunday's first two goals and now has 80 assists in 43 games. He by Mark Messier to give the Eder scoring title, and needs only 77 The playoff started on the 15th monton Oilers a 5-4 victory and points in 37 games to reach 200 four seasons.

> Sunday's may have been Mes-December, he broke the jaw of Cal-

Buffalo Coach Scotty Bowman Gretzky, who will be 24 on Jan. feels the league has been too slow in

426 games, breaking still another

# **Edwin Moses SCOREBOARD**

#### Hockey **NHL Standings**

WALES CONFERENCE

sufficia 2 1 1—4
Krusheinvski (22), Huddy (4), Gretzky (44),
Messier 2 (9): Perrecutt (14), Houstey (10).
Ramsov (8). Andreychuk (20). Stefs en 9eei;
Edmonton (an Barrosso) (0-11-9—30; Buffolo (an Fuhr) 11-9-24.
Defroit 1 1 6—2
Quebes 4 8 1—5 Quebec 4 8 1—5
A. Skostny 2 (26), P. Stestny 2 (19), Souve
(6): Gare (11), Ogradnick (29), Solts on spool:
Detroit (on Sevigny) 4-5-13—24; Quebec (on Micalef, Milo) 13-8-5-26.

W. Lefendage 2 4 8—6

Chicage 9 2 1—5
B. Suffer (25), Troffler (15), Bossy (37), Flat-ley (13), Troffler (16), Bossy (37), Flat-ley (13), Troffler (16), Bosne (8); Larmer (25), T. Murray 2 (15), L. Valok (8), Savera (23), Shots as soal; N.Y. Islanders (an Bannerman, Skorodenski) 8-11-8--27; Chicago (on Smith) Vanceuver
Solmine (4), innocat (10), Anderson 2 (10), Courtnell (8): Youth (15), Sundstram (9), Lemay (14), Shels at godf: Torcelo (on Brodeur) 10-13-4—27; Vancouver (on Bernhardt) 13-16-11—42.

Arniel (11), Small 2 (14), Ellett (5), Turnbull 8), Howerchuk (77); Toylor (20), Ruskowski (8). Howerchuk (77); Taylor (20). Ruskowski (9). Hardy 2 (9). MocLellon (18). Shots on sool: Winnipeg (on Etial) 5-5-12--22; Los Anpeles (on Hayward) 8-12-5-25

United States Football League
ARIZONA—Announced the resignation of
Pele Keitelo, assistant coach, to become estersive coardingler for Portland,
MEMPHIS—Signed Tim Spencer, running

FOOTBALL

Konsos City

National Football League NEW ENGLAND—Named Ran Humeniuk

HOCKEY Molional Hackey Leasue ,HARTFORD—Loaned Mark Falerson, delenseman, la Binghamian of the America

NEW JERSEY—Recoiled Grey Adonts. center, from Maine of the American Hockey

Selected U.S. College Conference Standings

Basketball

\*\*\* PCL | PC Conference Alf Games
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ATLANTIC COAST

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1 500 11 4 .734
2 500 10 1 .749
2 233 9 4 .492
4 .000 7 7 500 N. Coreling So. Melhodis Arkansos Houston Texas Tech Texas ASM N. Coroling Duke Foresi N.Corolin St. Maryland Georgia Tch Clemson Virginia

**National Basketball Association Standings** 

| 17 22 .32 97
| Golden State | 10 28 .278 15
| SUNDAY'S RESULTS |
| LA Lakers | 21 22 25 27 95
| Defroit | 27 38 27 33 -127
| Thomas 14-20 1-2 30. Roundfield 9-16 2-2 20;
| E-Johnson 9-18-4-6 22, ArcGee 9-15-2-4 22, Warthy 16-19 0-0 20. Rebounds: LA Lakers 50 (Abdul-Jobbor 13); Defroit 61 (Roundfield 41), Assists: LA Lakers 57 (E-Johnson 10);
| Defroit 37 (Thomas 20), Houston 137 (Thomas 20), Houston 27 22 25 29 - 99
| New Jersey | 34 18 31 17-188 | Williams 7-11 6-220, King 6-142-418, Gminski 9-179-0 18: Oleiluwon 13-722-5-28, Sampson 7-71 3-417, ArcCray 6-185-6 17, Rebounds: Houston 39 (Oloiluwon 13); New Jersey 44 (Gmilnski 10), Assists: Houston 20 (ArcCray, Hollins, Llovd, Leaveli, Reid 3); New Jersey 32 (Ronsey 13). NVISION
W L Pct. G8
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26 12 .684
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COLLEGE Announced that Tam Scholer. Rebbesgis: Kansus City 42 (Theus, Alaska-Anchorase 92, Groce 7) forward, has quit the basketball team. However, There 7); Seattle 39 (Sikma Portland 80, E. Mentana 59 (IOWA STATE—Announced the resignation 16). Assists: Kansus City 34 (Theus 13); Seattle 39 (Sikma Portland 80, E. Mentana 59 (IoWa STATE—Announced the resignation 16). Assists: Kansus City 34 (Theus 13); Seattle 66, Whitwerth 65 (Seattle 66, Whitwerth 66 (Seattle 66, Whitwerth 66 (Seattle 66, Whitwerth 66 (Se

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1MDEPENDENTS Sey 13).

Dénver 27 30 34 25—116

Milwashtee 36 33 36 33—140

Hodges B-1a 5-6 21, Mancriet B-15 5-5 21, Pressey 7-8 7-8 21, Cummings B-16 2-4 18; English15 12-15 24, North 7-12 5-5 19, Issel 6-9 7-4 19. Notre Dame SW Louisiana Rebogada: Denver d5 (Cooper ID): Allwausee 52 (Cumminss B). Assists: Denver 44 (Horszik S): Milwausee 41 (Pressey II).
Philadel-hala 29 23 26 36—315
Washington 26 31 34 13—104

#### College Results Cheeks 9-97-925, Erving 7-167-1071; Ruland 6-11 9-921, G.Williams 18-19-0-21, J.Molone 7-17 2-2 18. Rebounds: Philodelphia 37 (Molone 11): Woshington 32 (Mohom 7), Assists: Phil-

elphia 17 (Cheeks 7); Washington 23 Kings, Pa. 73, FDU-Mod Merrimack 74. Lowell 66 Rocheşter 38. Case Western Roserve 57 Wast Chester 96. Silppery Rock 83 NEW JERSEY-Recoiled Greg Adams.

center, from Appine of the American Hockey
League.

N.Y. ISLANDERS—Recoiled Gord Dincen.

N.Y. RANGERS—Sent Andre Dore and Jim Wiemer. detensemen. In New Hoven of the American Hockey League.

WASHINGTON—Recoiled Bob Alosan.

WASHINGTON—Recoiled Bob Alosan.

Hockey League.

COLLEGE

ILLINDIS—Annexment that Tom Scholer.

(G.Williams 8).

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matches) and .635 again in the first half of the '80s (70 victories and six draws in 115 match-

(not counting rare treks southward by the anachronistic British Lions), then 16 during the Northern fall and winter.

Southern season.

world calendar is the Five Nations championship, an annual round-robin pageant of 10 tests on five winter Saturdays. Weather permitting, it starts in Paris and Dublin this

By the fleeting evidence of the Jan. 5 table, France sets out as the favorite, ahead of Scotland, Wales, Ireland and England. There will be numbers on the scoreboards.

# World Cup Skiing

WOMEN'S SLALOM
(At Pfronten, West Germany)
Paoletia Magani, Italy, 50.93-56.25— 2. Brigite Certil, Switzerland, 51.52-56.98— 1:48.50 3. Donieta Zini, Italy, 51,41 57,37-1 :69.18

4 Olga Charvalova, Czechos 54.99—1:49.43
5 Eva Twardokens, U.S., 52.21-57.62—
1:49.83
6. Carlane Schmidhauser, Switzerland, 53.25-65.6—1:49.86
7. Blanco Fernandez-Ochoa, Spain, 53.20-58.77—1:51.97

1:52.12 9. Elisabeth Kirchier, Austria, 1:90.65—1:52.73 10. Elena Medzii 54-10-58.90--1:53.00

1:52.79 12 Coroline Beer, Austria, 54.06-59.79-1:53.87 13. Renate Lazak, West Germany, 54,46 97.79—1:54.25 14. Mario V 1:02.32—1:55.37 15. Diame Rafe

1. Wolliser, 138

4. Wolliser, 138

4. Marino Kiehl, West Germany, 137

\*\*Receiver, 136

\*\*Receiver, 136 5. Kirchier, 136
6. Erika Hess, Switzerland, 119
7. Charvellova, 188
8. Christelle Guianord, France, 82
9. Zoe Hoas, Switzerland, 76
10. Tomara McKinney, U.S., 75

Golf

Top flaishers and sormings in the Bob Hope Classic, which ended Sunday on the 4/35-years, per-72 indian Wells Colmity Citib course in Polin Springs, California (x-uran sudden death playeth): x-Larany Waddities, 990,000 67-67-68-66-65-333. Crain Shadier, 854,000 66-86-46-96-66-333. Hubert Green, \$34,000 68-68-69-70-65-340. Ron Streck, \$34,000 68-67-67-70-342. Runting Environment, \$18,257. 74-46-7-71-69-342.

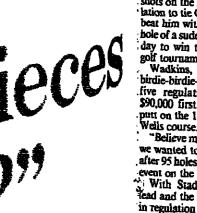
Ron Streck, \$24,000 Buddy Gordner, \$18,250 Ray Floyd, \$18,250 Larry Mize, \$18,250 66-69-72-72-64-343 70-70-67-68-68--343 John Mahaffy, \$14,500 John Mohorny, 314,500
Jock Remner, 314,500
Ed Flort, 314,500
Chip Beck, \$12,000
Carey Powin, 312,000
Bobby Clampett, 510,000
Johnny Miller, \$10,000
Gil Morgan, \$2,000
Down Tarell 60,000 71-47-67-69-69-343 64-72-72-70-67-34 Doug Tewell, \$2,000 Fred Couples, \$2,000 Jodie Mudd, \$2,000 Dan Halldorson, \$2,000 70-76-85-68-68-347 69-66-72-69-71-347 Calvin Peers, 55,825 67-69-75-70-67-348 71-68-72-70-67-348 Joe Imman, \$5,825 72-69-67-75-65--34 67-67-69-76-69-348 74-71-66-69-69-349 70-64-75-73-67-349 Mark O'Megra, \$5,825

# Mark O'Meara, \$5,255 Brad Faxon, \$3,957 Paul Azinger, \$3,957 Willie Wood, \$1,957 Larry Nelson, \$1,957 Pot McGowen, \$3,957 Mike Reid, \$3,957 Jim Colbert, \$1,957 Jim Colbert, \$1,957 71-70-68-71-69-349 68-74-68-69-70-349 68-68-69-73-71-349 71-67-68-72-71-349 69-69-73-71-67--349 71-73-70-67-49--350

Tennis WASHINGTON TOURNAMENT Semificals Manuelo Maleeva (4). Bulgaria, def. Kathy Rivaldi, U.S., 7-6 (9-7), 6-1, Martina Novratilova (1), U.S., det, Zina Gar-rison (7), U.S., 6-1, 6-2

the ball out from amid tumbleweed with less than a minute remaining small opening near the crossbar. Bit fron to within six feet of the pin.

leet behind the flag. Stadler 26, scored his 44th goal of the year handing down the penalty. "It's bechipped to within six feet and then with less than a minute remaining ing handled very badly." Bowman with less than a minute remaining ing handled very badly." Bowman with less than a minute remaining ing handled very badly." Bowman in the second period to tie the game said. "It's taken 18 days already. That's too lear."



#### ART BUCHWALD

# Killing the Arms Race

people.
Therefore, at the start of the new arms negotiations it's time both the Soviet Union and the United States take a new approach to the question of disarn

Instead of negotiating the reduction of offensive and defensive nuclear weapous, we should negotiate limits on how many times each superpower may kill a person in the event of an all-out war.

At the moment many ex- Buchwald perts believe that the United States and the Soviet Union have each stockpiled enough weapons to destroy one another's citizens 10

The first step, then, is to produce an agreement that would reduce the nuclear arsenals in both countries to the point where they could only kill every American and Soviet

Cutting the KR (kill ratio) in half won't be easy, but it is possible to persuade the superpowers to agree to it, particularly when it can be argued that you only have to kill a person twice to make your point in an all-out holocaust. With a KR of five, both sides would still have a margin of safety in case their missiles malfunctioned or failed to hit their targets.

The U.S. military will argue that the Soviet Union may sign a treaty agreeing to kill every American only five times, and then cheat, by stashing away enough weapons to kill them seven times.

The Soviet military could balk at cutting the KR in half on the grounds that, while the United

#### Venice Cancels Bullfights

The Associated Press VENICE - The municipal government has withdrawn a plan to

stage bullfights during carnival celebrations next month. Animal lovbloodless, based on scoring rather

WASHINGTON — In the world of nuclear arms, missiles do not kill people, nations kill secause if we refuse to include West European warheads in the count, each Soviet citizen could

still be killed eight times. At this point the negotiators in Geneva would have to resort to

The Americans could address the U.S. military's fears by insisting on on-site inspection of both nuclear stockpiles. If it were found that the Soviet weapons on hand had enough power to kill the Americans more than the agreed-upon KR of five, the United States could abrogate the treaty and proceed to build new weapons that would kill every Soviet citizen 15 times.

In exchange for on-site inspec tion, we would include the West European nukes in our KR, and reduce American stockpiles until both the U.S. and West European KR came out to five.

If the kill ratio formula is unacceptable, there is no reason for the superpowers to leave the bargain-

Another solution might be to work out a fair agreement on how many people each side may be permitted to wipe out in the event of a war. Neither country would have to reduce its arsenal, but would be limited to firing only enough mis-siles to kill 100 million people on the other's territory.

The obvious question is, who would monitor the pact to see that the superpowers did not bag more than their limit? This could be done by the International Red Cross, which would have access to all the stricken areas. If either side went over the 100-million ballpark figure, the other would then be permitted to match them body for

With the limits set by the treaty, it would not only be a waste of money for the superpowers to continue the arms race, but there would be an incentive to reduce nuclear arsenals accordingly.

I have no illusions that either the KR reduction proposal or the 100million limit on casualties can be successfully negotiated overnight.

I'm throwing them on the table ers had protested, despite assur-ances that the events would be tiations. When it comes to serious disarmament talks you have to start somewhere.

# 'Tara' May Not be Gone With the Wind

By William E. Schmidt New York Times Service
TLANTA — For legions of Atourists and convention-goers who travel to this boom capital of the Southland, the my-

thology remains as persistent as it is irresistible: Somewhere among the city's thicket of new glass and steel skyscrapers, they hope and they reckon, they will find Tara. The first question tourists ask

is, can they visit the place where 'Gone With the Wind' was filmed," said Phyllis Trammell, who runs the information desk at Atlanta's Central Library, "And the second question is, where is Tara and is it open to the public? The answer is that Atlanta has

no Tara, the mythical plantation of Scarlett O'Hara, heroine of the best-selling novel by Atlantan Margaret Mitchell and the movie made from it. And Ted Sprague, director of the Atlanta Convention and Visitor's Bureau, thinks this is a big mistake on Atlanta's

"The movie 'Gone With the Wind' has given Atlanta world-wide publicity," said Sprague.
"We really ought to be doing something to take better advan-tage of it."

So, 45 years after the David O. Seizuick film starring Clark Ga-ble and Vivien Leigh had its pre-miere at the old Loew's Grand Theater in Atlanta, and a year before the 50th anniversary of the publication of the novel, the city is seeking ways to capitalize on the neglected legacy of "Gone With the Wind."

For years, there have been various plans and projects aimed at playing up the city's role as the setting for much of the book and the movie. But these have foundered, often as a result of opposition by the guardians of Mitchell's estate, who have used copyright laws to challenge any attempt to exploit the novel or its characters.

In recent months, however, attorneys for the author's estate have expressed interest in plans by business leaders and local officials in suburban Clayton County, to build a museum, park and civic complex around the "Gone With the Wind" theme.

Clayton County, a rolling swatch of pine and kudzu south of Atlanta, served as the setting

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FRENCH PROVINCES



nal approval depends not only on the outcome of a feasibility study designed to come up with a specific plan for the complex, but on whether one of Mitchell's two surviving heirs can be persuaded that the project has merit. Last month, when The Atlanta

Constitution reported that attorneys for the estate had given their approval to the Clayton County project, Joseph Mitchell, a nephew who lives in Atlanta, called the newspaper and begged to differ. He said the museum would be built "over my dead body."

Valerie Purser, a member of the Clayton Chamber of Commerce, says she believed Mitchell's fears of a gaudy tourist at-traction were misplaced.

"We are not talking about some place that sells cheap Japa-nese dolls," she said. "What we are looking at is a nonprofit at-traction, where people who love the book and the movie can come and see Scarlett and Rhett and

Among the attractions that Purser said would be part of the project is the facade of Tara that was used in the 1939 film. It was bought five years ago by Betty Talmadge, a businesswoman once married to former U. S. Senator Herman E. Talmadge.

Mrs. Talmadge, who has stored the facade, lives in a sprawling

inspiration for Twelve Oaks, the plantation of the handsome, gentlemanly Ashley Wilkes, for whom Scarlett O'Hara carries a torch through most of the book. There are devotees of the novel

and Mitchell's memory who be-lieve the author got short shrift from her native city. While a street, a square, a school and a clinic have been named after her, the house north of the central business district in which she wrote most of the novel

sits vacant and boarded up, a "For Sale" sign hung on the front And the closest thing to a "Gone With the Wind" museum was a shop in the central city that, until it closed in 1982, featured a wax figure of Clark Gable and

"Gone With the Wind" toiletseat covers One of the problems that the local devotees have encountered in their efforts to commemorate the work has been Mitchell's own private nature. Before she died in 1949 after she was struck by a taxi, she said she did not want

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sold, among other memorabilia,

any kind of memorial in her A more contemporary obstacle may be the political realities of urban Atlanta. Some black politicians in the city, which is predominantly black, privately confess to having little enthusiasm for pay-

ing further homage to "Gone With the Wind." which is, after all, a celebration of the antebellum South.

Mitchell's legacy has been scattered. Collections of her papers are divided among the University of Georgia, the New York Public Library and several Atlanta institutions. Her private library is part of a collection at the Atlanta Public Library, along with the type-writer on which she wrote the noveL

Interest in the film and the book remains keen among visitors to Atlanta. The Gray Line tour bus company says its most popular group excursion is one it calls "Gone With the Wind Country: the Area that General Sherman Refused to Burn." The tour takes visitors to Madison and Covington, small towns outside Atlanta that have a stock of splendidly restored antebellum

"Even the Japanese consul told me he thought Atlanta ought to do more to play up the fact that it is the home of Gone With The Wind," said Sprague. "There are still a lot of people who want to come here and get their picture taken in front of Tara."

# PEOPLE

# The Prize Also Rises #

that the organizers say is the biggest in the world has been announced in Paris to promote "worldwide literary excellence" in memory of Ernest Hemingway. The prize to be underwritten by Sultan Muda Hassanal Bolkiah of Brunei. commemorates the link between Hemingway and the Ritz Hotel in Paris. The first Ritz Paris Heming-way Award will be presented in March Jack Henningway, the author's eldest son, said a \$50,000 prize would be awarded to the novelist whose work in 1984 best exemplified "the Hemingway tradition of excellence." A further \$100,000 will be made in grants to organizations or institutions that best "further the study of the life and works of Ernest Hemingway." The jour-nalist Pierre Salinger is chairman when he was living in relative poverty in Paris and could barely afford the price of a drink. He later "liberated" it with U.S. troops in August 1944, and became a regular customer after the war. . . . The lure of revisiting his childhood home brought publicity-shy Patrick Hemingway back to Key West for the first time in 34 years. The middle son of Ernest Hemingway dislikes the limelight that attends his father's name. Key West is observing a Hemingway festival centered around the house where he wrote several stories. Patrick Hemingway retired to Montana in 1975 after spending many years in Africa as a safari outlitter, hunter and wildlife manager.

A Vietnamese refugee who arrived in England five years ago not knowing a word of English has won a place at Oxford University. The Daily Mail said Mai Ly, 18, fled Vietnam in a boat with her parents and younger brother and settled in Hampshire. She will be studying physics at St. Hugh's College.

The White House has announced three of the designs Nancy Reagan will wear at inauguration festivities. When her husband takes the oath of office on the steps of the Capitol next Monday, she will wear an electric-blue outfit by Adolfo. When she attends the inaugural balls that night she will wear a

A \$150,000 literary awards plan And at the presidential gala Saturday night, she will wear a red sheath by Bill Blass.

Princess Margaret, sister of Queen Elizabeth II, has left the hospital one week after an operation on her lung. Surgeons removed tissue from the princess's lung after she was admitted complaining of chest pains, but tests showed the tissue to be non-malignant.

Katharine Hepburn, who por-trays a mercy killer in her lates film, says elderly people should be allowed to die if they must rely on machines to keep them alive. The 75-year-old actress told Ladies Home Journal magazine that she signed a document authorizing re-moval of life-support systems if she of the awards committee. Ernest is ever terminally ill and incompetentingway first went to the Ritz Grace Quigley." Hepburn plays an elderly woman who joins with a murderer to kill aged people who want to die. "If my own mother had been desperately ill and attached to a lot of humiliating machines, I think I would have shot her," the actress said in the interview. П

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The train used by Queen Elizabeth II and other members of the royal family to travel in Britain is, being redesigned to withstand a gale or missile attack, according to the Mail on Sunday. The newspaper said state-owned British Rail was replacing or refitting all 12 coaches used by the royal family to attend functions outside London. The new train, dubbed a "tank on rails," will be protected by automatic locks and bullet-proof windows, and will be equipped with an independent oxygen supply system in case of a nerve-gas attack, the weekly said.

Prince Albert of Monaco had to pull out of the Paris-to-Dakar auto rally Monday because of a blown engine on his Mitsubishi Pajero. Albert and his team-mate, Jean-Pierre Marsan, dropped out 50 kilometers (31 miles) from Gao, Mali, where the two-day, 1,200-kilometer section of the rally ends. He and Marsan were 38th in the overall standings at the start of the section at Agadez, Niger. His sister, Princess Caroline, and her husband, Stefano Casiraghi, dropped jeweled dress by James Galanos. out of the rally after an accident.

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